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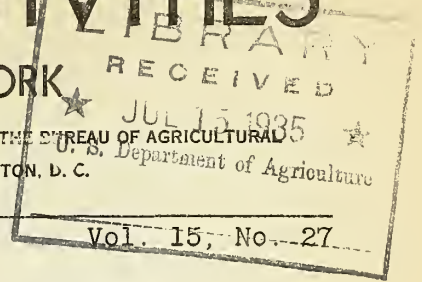
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# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.



July 3, 1935

### NEW YORK ASKS SHIPPERS' HELP IN BREAKING POULTRY RACKET

New York poultry shippers have been asked by New York Department of Agriculture to file immediate complaints of excess charges on their account sales, in an effort to drive "racketeers" off the New York City live poultry market.

Receipt of complaints, it is stated, will enable the department to cooperate more fully with New York City officials in the war on live poultry racketeering. The complaints are expected to come from shippers who have been forced to pay extra charges levied by the feed, poultry-coop and trucking monopolies on the New York City market. They should include specific instances, names and dates.

Markets Commissioner Morgan at New York City says "one of the first phases of the racket which will be attacked will be the charge taken from the returns to shippers for cartage when the service has not even been performed." It is stated that a decline of nearly 4,000 carloads of live poultry shipped to New York City was "principally because of monopolistic levies causing diversion of shipments to other markets. It is estimated that producers receive 12 cents less out of every consumer-dollar as a direct result of the racketeering in the live poultry industry."

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### CONNECTICUT COMMISSION TO STUDY AGRICULTURAL SERVICES

A Commission has been appointed by the Governor of Connecticut with a view to reorganizing the various agricultural departments of the State for greater efficiency and economy. Proposals have been made to consolidate into one department the various agricultural branches including the Department of Agriculture, Dairy and Food Commission, Commission on Domestic Animals, and possibly the Milk Control Board. The Commission will report its findings to the General Assembly in 1937.

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### FARM REAL-ESTATE TAXES REDUCED IN MANY STATES

Farm real-estate taxes decreased 5 percent between the 1933 and 1934 levies, according to the Bureau of Agricultural Economics, on the basis of reports from 20 States. A final estimate for all States will be completed soon. Farm taxes decreased in 15 of the 20 States; they increased in 5 States an average of slightly less than 2 percent. There has been a marked decrease in farm real-estate taxes the country over since 1929.

NEW HAMPSHIRE LICENSING  
POULTRY DEALERS

New Hampshire Department of Agriculture has put into effect the live poultry dealer licensing law recently passed by the State Legislature. All live poultry dealers buying poultry in New Hampshire are required to hold a license issued by the Commissioner of Agriculture and their trucks to display two poultry dealer license plates. Fifty-three licenses have been issued to date.

All persons who are to transport live poultry over the highway are required to have a bill of sale to accompany the load regardless of the purpose for which the poultry is to be used.

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NEW YORK SAYS FEWER  
FARMERS WILL BE NEEDED

Use of more and better machines on farms will continue to increase the efficiency of farmers and make necessary a decrease in the agricultural population, in the opinion of Prof. W. A. Anderson of New York College of Agriculture. He says that agricultural production in the United States has increased 50 per cent since 1900; at the same time, labor engaged in farm production has increased only 10 per cent, and there are fewer workers now on farms than twenty years ago. Prof. Anderson forecasts that "a stationery population of about 14,000,000 will probably be reached (in New York State) by 1960."

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ARGENTINE BOARD SEEKS TO  
IMPROVE COTTON INDUSTRY

The Argentine Government has created a National Cotton Board to improve the production and marketing of cotton. The Argentine Minister of Agriculture is president of the board; other members represent all branches of the cotton industry.

The board is empowered to supervise the technic of ginning and the commercial grading of cotton, and to enforce use of official cotton standards. It is authorized to provide for the production of adequate supplies of seed of improved varieties and to facilitate the sale of this seed. It may either build gins or encourage their erection on a cooperative basis so as to make possible the direct marketing of cotton by producers. Administrative expenses will be derived from profits made in connection with the purchase and sale of exporters' bills for cotton in accordance with procedure under existing exchange control regulations.

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OHIO SAYS GOOD DRAFT HORSES  
TO BRING HIGHER PRICES

Higher prices for good draft horses may be expected to hold for several years, in the opinion of L. P. McCann, extension specialist, Ohio State University. More and more farmers, he says, are wanting to buy one or two registered mares of one or the other of the leading breeds, and the demand for good stallions has not been equalled in recent years.



BUTTER GOES OFF  
IMPORT BASIS

Butter is no longer on an import basis. The margin between prices at New York and London has narrowed to 10 cents, which is 4 cents less than the import duty, according to the Bureau of Agricultural Economics June report on world dairy prospects.

Twenty million pounds of foreign butter were imported into the United States the first five months of this year to supplement abnormally light domestic supplies. Margarine production was increased 46,000,000 pounds in the first three months, over the corresponding period a year ago.

Disappearance of the import margin between New York and London prices of butter is the result chiefly of a marked decline in domestic prices.

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FOOD SUPPLIES AMPLE  
FOR DOMESTIC NEEDS

This year's food supply will exceed average domestic consumption during recent years, according to estimates by the Bureau of Agricultural Economics. It will be somewhat less than the average supply of the last five years, but will be about 5 per cent more than domestic disappearance in 1934, and about 9 per cent more than in 1933.

The figures include prospective production plus the carryover at the beginning of the 1935 crop season. There will be less meat and possibly less of some other livestock products available for consumption this year, it is stated, but there will be adequate supplies of other foods to which dietary shifts can be made.

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PENNSYLVANIA HELPING FARMERS  
TO GET OUT OF DEBT

Secretary J. Hansell French of Pennsylvania Department of Agriculture has appealed to all debtor farmers and their creditors in Pennsylvania to refer financial difficulties of farmers to the voluntary County Farm Debt Adjustment Committees. The sixty-seven committees engaged in this work, it is stated, have made substantial progress in improving the financial positions of distressed farm owners, having handled approximately 1,500 cases involving \$6,000,000. The objective is to avoid foreclosure proceedings and also to facilitate refinancing of mortgages through the Federal Land Bank.

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MINNESOTA OFFERS LAMB  
GRADING SCHOOLS TO FARMERS

Minnesota Extension Service is offering to aid county agents in putting on local lamb grading demonstrations during July, August, and September, where qualified sheep specialists and market experts will explain to farmers how to judge fatness of lambs, what degree of finish the market wants, and how to feed out unfinished lambs to bring top prices.

Market authorities at South St. Paul say there has been a marked

increase in the number of native Minnesota lambs that have topped the market since lamb grading schools were started several years ago. Many farmers have learned to get fancy prices for grain used to put on the extra finish that makes top lambs.

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MARYLAND LEGISLATURE has passed a bill providing for a three-man Milk Control Commission to be appointed by the Governor from nominees specified by the State Board of Agriculture. It is understood the commission will act as mediator or arbitrator in any marketing area, as defined by it, in which a substantial proportion of producers, distributors or consumers request such supervision, and only in such areas.

FORMATION of the first California milk control board under provisions of the recently enacted State milk market stabilization bill may result from a petition filed by milk producers of the San Francisco bay area, California Department of Agriculture has announced. The law provides that the petition must set forth the boundaries of the proposed milk control area and be signed by at least 65 percent of the milk producers in the area.

NEW JERSEY Milk Control Board has notified dealers and storekeepers in the State their milk licenses expire June 30, and that the new milk control Act which went into effect June 1 requires them to file license applications with the Board by July 1. The new law grants broader powers to the Board and permits closer supervision of the responsibility of dealers to pay producers for the milk they purchase and deliver to consumers.

IOWA EXTENSION SERVICE says hog marketings are not likely to increase before the summer of 1936, and "probably not much then". Prices, therefore, it is stated, "can be expected to stay relatively high through the remainder of 1935 and most of 1936." The immediate price outlook, says the Service, offers little encouragement for any rise above the present level in view of the weak demand for pork and the low buying power of consumers.

#### ADJUSTMENT ADMINISTRATION NEWS

The average cost to cooperating farmers for the local administration of the wheat adjustment program during the first year of its operation was 1.42 cents per bushel of the farmers' allotments, reports the AAA. The average cost of 1.42 cents per allotted bushel compares with adjustment payments received by farmers amounting to 29 cents a bushel.

Floods in the Mississippi Valley have damaged crops in more than 123 counties in five States, according to a preliminary and partial survey by the AAA. The five States are Missouri, Arkansas, Colorado, Illinois, and Kansas. Flood damage reports also have been received from Oklahoma and Nebraska, but figures by counties were not given. The Missouri flood area reported the highest percentage of crop loss - 19 percent of the wheat crop and 9 percent of the corn crop.

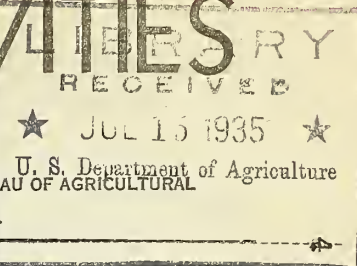
Cotton farmers of the lower Mississippi Valley whose lands have been flooded will receive the same rental payments and parity payments which would have been made if their crops and not been damaged, the AAA has announced.



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July 10, 1935

Vol. 15, No. 28

### ALL NEW ENGLAND STATES

#### HAVE MILK CONTROL BOARDS

The Milk Control Bill which created a Control Board in New Hampshire and endowed it with authority of control over distribution and the price of milk is among the most important of the new legislative measures passed by the 1935 biennial session of the New Hampshire Legislature, according to New Hampshire Department of Agriculture.

Primarily, the bill aims to assist producers in the marketing controversy by helping them to secure their share of the consumer's price and to prevent certain price cutting practices, it is stated. The Board is functioning to date, in 24 market centers.

All New England States now have Control Boards, and "we understand," says the New Hampshire Department, "that results to date are quite satisfactory to the public. Producers on the whole have been receiving higher returns and much of the market chaos is unraveling. In Connecticut a single milk administrator has been appointed to take the place of the Board of three members."

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### CALIFORNIA REDUCES

#### FRUIT MARKETING COSTS

Recent development of efficient portable car-cooling equipment, reduced refrigeration charges for limited icing services in transit, and a 10 percent saving in freight charges by heavier loading of cars, have all greatly increased the interest in precooling during the past three years, and are bringing about changes in methods of handling and shipping California deciduous fruits, according to F. W. Allen and L. R. McKinnon of California College of Agriculture.

"The general value of precooling perishable fruit for long-distance shipments have been recognized for many years," it is stated, "but the absence, in many localities, of suitable facilities, together with the expense involved, has been a retarding factor in its general adoption. Many of these difficulties now have been overcome. In addition, pre-cooled fruit reaches the eastern markets in a more uniform condition of maturity, firmer, and with less color development than non-precooled."

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WHEAT GROWERS in South Africa are enabled to withhold wheat from the market without danger of loss through declining prices, as result of a law passed recently by the parliament of the Union of South Africa. A Board will impose and collect processing taxes on wheat and compensate growers for losses sustained as a result of withholding wheat from the market.

OHIO WOULD SHIFT  
PART OF FARM TAXES

Examination of 814 farm account books reveals how poorly in Ohio farm property taxation is correlated with ability to pay taxes, says H. R. Moore of Ohio Extension Service. Moore says he found in the records for 1933 that farmers in the lowest income group paid out 59 percent of their net cash income in taxes. Farmers in the higher income brackets paid out 11 to 14 percent of their net cash income for taxes. The average farm tax in Ohio was \$1.09 an acre in 1933. It is estimated at 80 cents for 1935.

Moore believes some progress toward equalizing the farm tax burden is possible through a system of appraisal that would reduce taxes to be paid by owners of low income properties. He would achieve an adjustment by shifting at least part of the farm tax to an income base.

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IOWA HOG PRODUCTION  
TO EQUAL LAST YEAR'S

Despite the 12 percent fewer pigs farrowed in Iowa this Spring than last, an estimated increase in fall farrowings indicates that the State will produce approximately the same number of hogs this year that it did last - or 37 percent fewer than in 1933, according to Iowa State College extension economists. Iowa reduced Spring farrowings less than did the rest of the country, and the numbers of bred sows and gilts now on hand indicate that Iowa will come back to normal hog production much quicker than the rest of the Nation, it is stated.

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NEW YORK ISSUES NEW  
STANDARDS FOR CERTIFIED SEED

Stricter requirements for certification of soy beans and an option in favor of certified seed potato growers, are contained in new standards for certified seed grains, seed beans, seed potatoes and tomato seed promulgated for 1935 by Commissioner Ten Eyck of New York Department of Agriculture and Markets.

The new standards raise the percentage of purity for soy beans from 97 to 98 percent, and lower the percentage of dirt, stone and other materials not seeds from 1 to  $\frac{1}{2}$  percent. A new section known as A-2 is added to certified seed potato requirements providing that at the option of the grower, each field may be further represented by a sample of 200 tubers taken from the same seed lot and planted in tuber units by the grower on his farm. This is in addition to the 100 sample tubers required to be sent to the State College of Agriculture and grown there under observation.

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EIGHT HUNDRED AND SIXTY HOTELS and boarding houses in the Catskill summer resort section of New York spent about \$2,551,000 for fresh farm products in 1932. Of this, \$1,121,000 was for fruits and vegetables, according to estimates in a new Cornell bulletin on marketing of farm products in the lower Hudson Valley. Estimated expenditures for poultry and eggs were about \$1,430,000.



FEDERAL LEGISLATIVE RECORD

S. 2367, the Farmers Home Act, was discussed in the Senate for several days during the latter part of June and passed the Senate on June 24. This is the bill relating to farm tenancy. Under its provisions the Federal Government would engage in rural rehabilitation through the purchase of farms and their sale to farm tenants.

S. 3183, introduced by Senator Smith on July 3. A bill to amend the Agricultural Adjustment Act by making potatoes a basic agricultural commodity; to be known as "The Potato Act of 1935".

S. Res. 160. Introduced on June 24 by Senators Adams and Steiwer. This would authorize the appointment of a special committee. of three Senators to make full and complete investigation of the production, transportation, and marketing of wool, the committee to report to the Senate not later than the beginning of the second session of the 74th Congress the result of its investigations together with its recommendations, if any, for necessary legislation.

H. R. 8677 by Rep. Kerr of North Carolina, would amend the tobacco act of June 28, 1934. It is a revision of a bill on the same subject introduced earlier in the session.

H. R. 8742 by Rep. Mitchell of Tennessee, would amend the Packers and Stockyards Act so that the Secretary of Agriculture would have authority to investigate the marketing practices of live poultry dealers and handlers, to license such dealers and to take regulatory action where deemed necessary.

H. R. 8631 by Rep. Fulmer of South Carolina, bill would provide for the use of net weights in interstate and foreign commerce transactions in cotton; it would provide for the standardization of bale covering for cotton, and for other purposes. It represents a subject upon which bills have been introduced in congress for several years past.

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STATE LEGISLATIVE RECORD

Florida Legislature has passed the following bills relating to the citrus industry:

S.B. 16, to stabilize and protect the citrus industry; to create the Florida citrus commission, etc.

S.B. 17, to prohibit the offering, sale and transportation of all citrus fruit which is immature or otherwise unfit for human consumption.

S. B. 18, to promote the sale of oranges produced in Florida, by publicity; to impose an excise tax on oranges produced in Florida, etc.

S.B. 19 and 20, to promote the sale of Florida grown grapefruit and tangerines, by publicity; to impose an excise tax on these products, etc.

S.B. 22, to provide for the licensing and bonding of citrus fruit dealers.

S.B. 657, to provide for additional power and authority of the Florida Citrus Commission.

S.B. 1038, to impose an excise tax on all margarine containing food or oil ingredients.

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#### WHEAT FARMERS STUDYING

##### NEW ADJUSTMENT CONTRACT

A proposed new basis for making wheat adjustment payments has been tentatively approved by farmer-representatives from the principal wheat States, the AAA announced on July 2. The new basis would protect farmers against declines in price through adjusting the final payment each year to the actual difference between the average farm and parity prices during the year. Under the proposed plan, if wheat prices fell during the year, the final payment would be larger. If prices rose, the payment would be less. It was pointed out that if prices rose, farmers would be able to market their entire crop at higher prices, and that if prices fell, producers would be assured of parity on their allotments.

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#### ILLINOIS FARMS GO UP IN PRICE

With the recent gain in farm incomes in Illinois, high-grade farm land is setting the pace in the increase in farm real estate values, reports C. L. Stewart, Illinois Extension Service. High-grade land has shown an average of between 25 and 37½ percent increase since 1933, he says, as contrasted with 12½ to 25 percent increase on medium and poor grades. Widening of the gap between high and low grades of land is the reverse of what happened in Illinois and other States between 1920 and 1933 when prices of farm land were falling, it is stated. Approximately 41.7 percent of the farm land in Illinois is rated as top grade.

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TENTATIVE UNITED STATES STANDARDS for grades of canned mushrooms have been issued by the Bureau of Agricultural Economics. They are Grade A (Fancy), and Grade C (Standard).

IMPROVEMENT in the European wool textile industry in May and June resulted from increased orders and was accompanied by price advances at London and Southern Hemisphere markets, according to the Bureau of Agricultural Economics.

A LIST OF MANUFACTURERS of fruit and vegetable hampers and baskets, and manufacturers' identification numbers, may be obtained from the Bureau of Agricultural Economics.

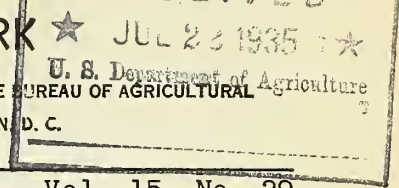
A MONTH'S TRIAL of auction sales of sheep, goats, lambs, pigs and other livestock has convinced Hunterdon County (New Jersey) farmers that this method of selling is an improvement over the older practice of selling to buyers who travel from farm to farm, say New Jersey Extension Service.



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July 17, 1935

Vol. 15, No. 29

### OREGON MAKES EGG GRADING COMPULSORY BY LAW

Oregon has adopted a compulsory egg grading law which provides that all eggs sold to retailers or consumers must be handled and graded according to grades and standards specified by the State, and that all eggs sold to consumers, other than eggs sold by producers on premises where produced, must conform with definite grade or quality and size or weight designations.

The grade names adopted by the State are the same as the United States grade names, except that the initials "U.S." are not prefixed. The size designations "large", "medium" and "small" are the same as the suggested Federal size designations, and the weight requirements of each are identical with the Federal requirements. Specifications for each of the four qualities of eggs are identical with specifications for the official United States standards for individual eggs and the definitions used in clarifying these specifications are the same.

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### OUT-OF-STATE POTATOES IN MAINE MUST BE BRANDED

Potatoes shipped to Maine are subject to Maine's new potato branding law. Contrary to the belief of many shippers, says New York Department of Agriculture and Markets, potatoes from outside of Maine are subject to the branding law as soon as they cross the border. The law provides that the true grade, according to United States standards, shall be branded or tagged on each container, as well as the name and address of the packers and the net weight. The word "potato" must appear along with the other required information.

The markings may either be made a part of the stock printing on the sacks or printed upon durable tags which will be attached to each container. This information must be "legibly and conspicuously" branded or printed. To avoid confusion when tags are used, it is provided that U. S. No. 1 shall be declared on white tags, U. S. Commercial on yellow, and U. S. No. 2 on red.

Bulk shipments either by rail, truck or other conveyance must be accompanied by two cards at least four by six inches in size. These must be placed on the inside of freight cars near each door. The cards on trucks and other conveyances must be prominently displayed. Cards for bulk shipments must carry more information than is required for sacks or tags, including the grade, name of consignor, loading station, address of consignor, date of loading, and the name and address of consignee.

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CALIFORNIA MOVES TO STABILIZE  
FLUID MILK MARKETING

The first step in the California program of stabilizing the marketing of fluid milk under new legislation recently passed in that State was taken July 10 when representatives of more than 200 dairymen who ship milk to the San Francisco marketing area met with Department of Agriculture officials to nominate candidates for places on the proposed San Francisco fluid milk control board.

Under the law, 65 percent of producers producing fluid milk commercially for sale within any marketing area, and producing not less than 65 percent of the volume produced commercially for such area, may apply to the Director of Agriculture for nomination and appointment of a control board which will form and administer a marketing plan or agreement.

Twenty-nine persons were nominated for places on the San Francisco area board, and from these the Director will choose a board of not less than seven nor more than thirteen members. Under the marketing plan, no distributor may lawfully purchase from a producer who does not comply with the provisions of the plan while in operation. Rebates, gifts, special privileges, false advertising and discriminations are outlawed. All distributors must be licensed.

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COOPERATION INSTITUTE  
MEETING AT ITHACA THIS WEEK

A three-day series of conferences on how to market fruits and vegetables through cooperative associations forms a part of the eleventh annual session of the American Institute of Cooperation at Cornell University, July 15 to 20. Financial credit for growing fruits and vegetables, and for purchase and marketing, is being discussed by Milton E. Smith of Presque Island, Maine, vice-president of the Maine potato growers association.

Dr. M. P. Rasmussen of New York College of Agriculture is leading a discussion of distribution by motor truck. Other speakers include A. U. Chaney of the American Cranberry Exchange, on the effect of mass purchases by chain stores under the cooperative sales program; F. R. Wilcox of the University of California, on production control and prorated shipments as they affect cooperative marketing; and M. C. Gay of the Farm Credit Administration, on distributing fruits and vegetables cooperatively.

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NEW JERSEY ROAD STANDS  
MUST BE LICENSED

Conditions under which New Jersey farmers must take out licenses for the payment of a sales tax were recently explained by L. A. Bevan, New Jersey College of Agriculture extension economist in marketing. Farmers must take out licenses, he says, when operating a roadside stand and when selling on a retail farmers' or city market. He says a license is required by farmers operating or carrying on a retail route, with milk as the only exception. A license is required when eggs or other products are sold on a milk route. When selling in retail amounts regularly at farms, even though there is no actual stand set up for



selling, farmers are required to be licensed, but farmers need not be licensed when selling for resale, which means selling to another person who finally sells to consumers. Farmers who make "casual sales" need not be licensed, as when some eggs or potatoes are sold occasionally.

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AAA RAISES ALLOTMENT  
PAYMENTS ON WHEAT

The 1935 wheat adjustment payments will be at least 33 cents a bushel on allotments of cooperating farmers as compared with the 1934 minimum payment of 29 cents, the AAA announced recently. Payments for both years are subject to slight deductions for county administrative costs.

The increase of 4 cents a bushel for the 1935 allotments, according to Administrator Chester C. Davis, represents additional income to cooperating wheat producers of approximately \$14,000,000. Under the new payment schedule, producers will receive adjustment payments on their 1935 wheat allotments of at least \$115,000,000 as compared with approximately \$100,000,000 which they would receive on the 29-cent basis.

No change has been made for the present in the processing tax rate of 30 cents a bushel, the additional adjustment payments being made possible through reserves accumulated from the tax on wheat produced by farmers not under allotment contracts.

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CALIFORNIA POTATO DEALER  
GUILTY OF FALSE PACKING

Prosecution and conviction of a Los Angeles produce dealer in Kern County, one of the leading potato growing districts of California, is expected to eliminate many complaints of potato growers of alleged fraudulent lug box packing, reports California Department of Agriculture.

The dealer was accused of re-packing lugs of potatoes after a farmer's hired man had placed them on the dealer's truck, the re-packing alleged to have involved an increase of weight of about one pound in the buyer's favor. He was found guilty and fined \$75.

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PRIVATE AGENCIES INCREASING  
FARM MORTGAGE LOANS

Continued upward trend in farm mortgage financing by banks, insurance companies and other private creditors is reported by the Farm Credit Administration. About \$157,000,000 of farm mortgages were recorded by private concerns and individuals in the first quarter of 1935 compared to \$127,000,000 in the first quarter of 1934. The amount in the last quarter of 1934 was \$125,000,000. The figures are estimates based on mortgage recordings in more than 1,500 counties all over the country.

The Federal land banks and the Land Bank Commissioner loaned \$163,000,000 on farm mortgages during the first quarter of 1935. The largest increase in farm financing by life insurance companies was in the corn belt and Pacific States.

FEDERAL LEGISLATIVE RECORD

S. Res. 160, authorizing a special committee of five Senators to investigate the production, transportation, and marketing of wool, was agreed to by the Senate on July 10. Members of the Committee as appointed by the Vice-President are Senators Adams, Colorado; Hatch, New Mexico; Murray, Montana; Steiwer, Oregon, and Carey, Wyoming.

H.R. 8492, to amend the Agricultural Adjustment Act, has been under discussion in the Senate for several days. It involves a large number of amendments of existing law.

H.R. 8759, introduced by Rep. Buck of California on July 8, would affect certain amendments of the Perishable Agricultural Commodities Act.

H.R. 8764, introduced by Rep. Somers of New York on July 8, would consolidate existing laws on the subject of standard baskets, boxes, cartons, etc., for fruits and vegetables.

STATE LEGISLATIVE RECORD

California: Bills have been passed by California Legislature with regard to commercial feeding stuffs standards; fertilizers; live stock auctioneers; minimum prices of milk and cream to producers; prohibition of sale of meat and products containing dye or artificial coloring; marketing of manufactured milk and dairy products; and oleomargarine.

California Legislature passed the "California Agricultural Adjustment Act of 1935", and bills covering standardization of apples, asparagus, avocados, cherries, celery, lettuce, persimmons, and walnuts were approved.

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REVISED OFFICIAL STANDARDS FOR BEANS have been issued by the Bureau of Agricultural Economics, effective August 1. The grades are U.S. No. 1, U. S. No. 2, U. S. No. 3, and U. S. Sample Grade.

DR. H. R. WELLMAN has been appointed associate economist of California Experiment Station to take the place of Dr. E. A. Stokdyk who has resigned to serve as president of the Berkeley Bank for Cooperatives in the Federal Farm Credit Administration. Dr. Wellman was recently chief of the special crops section of the AAA at Washington.

MIMEOGRAPHED REPORTS recently by the Bureau of Agricultural Economics include "Marketing Texas Citrus, 1934-35 Season", "Baggings Used for Covering American Cotton Bales", "The Problem of Character Standardization in American Raw Cotton", "Marketing California Potatoes, 1934 Season", and "Florida Citrus Tree Survey".

PRICE CUTTING recently cost one New York City storekeeper a \$100 penalty and another the revocation of his license to sell milk, Commissioner Ten Eyck at Albany explaining his action was to protect the farm price of milk because when milk is sold for less than the legal price in the city, the dairyman cannot receive the full established price.



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July 24, 1935

Vol. 15, No. 30

### NORTHEASTERN STATES DEVELOP BETTER MARKETING METHODS

Better marketing is perhaps the most important development in the northeastern vegetable industry, says Prof. Paul Work of Cornell University. Eastern growers, he says, have been putting up better goods in better shape in order to meet competition from distant shippers.

"Over a period of years," according to Prof. Work, "clean goods have replaced dirty produce, bright new or selected used containers have replaced the disreputable packages so often used, and precooling and refrigeration have helped to conserve quality for the consumer.

"Central packing plants are being installed in the northeast, and others are under consideration. Such establishments are likely to become part of our great regional markets as they receive the goods, cool, wash, and pack them, and deliver both quality and service to dealer and consumer, while they permit the grower to unload and go home."

Discussing marketing costs, Prof. Work says "lower production costs and minimum handling costs are being forced by a relentless competition that calls for even more quality and service than formerly."

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### NEW JERSEY "FRESH EGG" LAW PRODUCES RESULTS

Definite improvement in quality of eggs sold at retail and an increased demand for fresh New Jersey eggs have been outstanding results of the State Fresh Egg Law, now entering the second year of its existence, says New Jersey Department of Agriculture.

About 15,000 egg-selling establishments of various kinds were inspected under the terms of the law by representatives of the department during the fiscal year ended June 30. The number of wholesale and retail inspections totaled 23,622, and the number of violations detected totaled 3,508. All first-offenders were let off with warnings, but 603 dealers who had violated the law two or more times were called into Trenton for hearings.

In connection with the hearings, 341 penalties totaling \$2,858 were assessed. Sixteen cases could not be settled at the hearings and court action was instituted by the department. Eight cases were later settled out of court, five by verdicts against the violators, one dealer went out of business, and two court cases were pending at the end of the year.

The Fresh Egg Law provides that all eggs sold as "fresh" must

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meet definite standards for quality and freshness. When it first went in-to effect about a year ago, Department of Agriculture inspectors found many cases where below-standard eggs were being sold as fresh. The quality of eggs offered for sale has shown such improvement, it is stated, that few violations of the act have been found recently.

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LOUISIANA LIVESTOCK RECEIPTS  
INCREASED AT NEW ORLEANS

Increased receipts of cattle and calves at New Orleans stockyards the first six months of this year are attributed by B. B. Jones of Louisiana Extension Service to cleaning of a considerable territory of cattle ticks last year. This section is now free to ship to the local yards. New Orleans receipts of grown cattle increased from 15,453 head in the first half of 1934 to 25,869 this year, and calves from 31,267 head in 1934 to 36,802 in 1935. Jones says livestock producers have been able to sell their stock at fairly good prices; that indications point to a successful cattle industry in Louisiana during the coming year.

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MARYLAND SAYS CANTALOUPE  
MUST BE "MATURE"

The Maryland cantaloupe law was amended at the last session of the Legislature to cover the transportation of cantaloupes. The section of the law amended is as follows.:

"46A. It shall be unlawful for any person, firm, corporation, partnership or other association to buy, sell, ship, transport, offer or expose for sale or shipment, or place upon the market, for human consumption, any cantaloupes in closed containers, unless said cantaloupes are mature; and that mature in the case of cantaloupes shall mean the appearance of the outside indicates maturity, and the arils which surround the seed during the development of maturity have been absorbed and, in addition, that the juice of the edible portion shall contain not less than 8 percent soluble solids as determined by the Balling or Brix scale hydrometer."

A corps of qualified cantaloupe inspectors will be located at the various producing and shipping centers on the Eastern Shore to assist growers and distributors in marketing melons in compliance with the law.

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TWENTY-FOUR STATES REVISE  
CHATEL MORTGAGE LAWS

Twenty-four States revised their chattel mortgage laws during the first half of 1935 in order to help farmers get low cost production credit, says the Farm Credit Administration. Ten other States had taken similar action in 1934. Thousands of farmers who previously were charged excessive chattel mortgage recording fees are now paying fees as low as 25 to 50 cents, says W. I. Myers, Governor of the FCA. The new laws vary somewhat among the States but in general they reduce the cost of obtaining production credit, simplify procedure, and enable production credit associations and other reasonable-cost lending institutions to reach a class of farmers who for one reason or another could not be soundly financed under previous State laws.



NEW YORK ORDERSMILK PRICE REDUCTION

Commissioner Ten Eyck of New York Department of Agriculture and Markets ordered a reduction, effective July 1, in the price to dairymen for milk used in the manufacture of cream for use in the New York City Metropolitan Area with a corresponding reduction in the minimum retail prices. The reduction lowered the price to consumers six cents a quart of heavy cream, three cents a pint and one cent a half-pint, and lowered the farm price from \$1.75 a hundred pounds to \$1.55 a hundred pounds for milk used in the manufacture of cream. The order restored producer and consumer prices to those in effect up to March 1. No change was made in prices paid producers for milk used in the manufacture of cream used in upstate areas or in the retail price in upstate areas.

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POULTRY PRODUCERSHAVE FAVORABLE OUTLOOK

A "favorable outlook" for poultry producers the remainder of this year is seen by the Bureau of Agricultural Economics in its summer poultry and egg outlook report recently released.

Egg and poultry prices are likely to continue at higher levels than last year, says the bureau. The supply of fresh eggs is expected to be a little larger than last year, but the supply of shell eggs in storage is much smaller than a year ago and will offer less competition to the fresh-egg supply.

Increased production per hen and a small increase in number of layers are expected to result in increased production of eggs during the early months of 1936 as compared with the small output in the corresponding months of 1935. Supplies of poultry next fall and winter are expected to be slightly smaller than last fall and winter.

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MINNESOTA ISSUES BULLETINON HANDLING FRUITS FOR MARKET

A bulletin, "Picking, Handling, and Packing Fruits for Market", has just been issued by Minnesota Extension Division. Better returns for their fruit await Minnesota growers who pay more attention to the handling of their crop for market, say the authors. Strawberries and raspberries, particularly, it is stated, require careful handling. The bulletin details methods of picking, packing and handling these fruits to enable growers to put them on the market in first-class condition. Cooling berries by means of an inexpensive ice refrigerator that can be built on the farm is one of the surest ways to great profits, says the bulletin, since such cooling permits shipments over longer distances, and enables shippers to hold berries off the market a few days when there are market gluts.

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"MARKETING APPLES in New Jersey and Competing States" is the title of a mimeographed report which may be obtained from W. W. Oley, chief, New Jersey Bureau of Markets, Trenton, N. J. The publication contains a short history of the apple industry, its geographical distribution, market movement, and other economic data.

CROP CUTS AFFECTVEGETABLE ACREAGE SLIGHTLY

Increased production of commercial vegetable crops during 1934 and 1935 has been influenced only slightly by reductions in acreage of major crops, it is revealed in a study just completed by the Department of Agriculture. The increase has been mainly in commercial vegetable areas where the bulk of the expansion of vegetable crops has taken place in former years.

A study by the AAA last fall reached similar conclusions. It indicated that land retired under contract from the production of cotton and tobacco was not being used for commercial plantings of potatoes or other truck crops.

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REVISION OF COTTONSTANDARDS IS PROPOSED

Revision of the United States official standards for cotton grades has been proposed by the Bureau of Agricultural Economics with a view to making the white grades more representative of the cotton crop and of eliminating grades for types of cotton which have become scarce. Arrangement of samples within the grade boxes has been changed to facilitate use of the standards.

The suggested changes involve dropping the grades for Blue Stained cotton as well as the grade Strict Good Middling Yellow Tinged, and combining the Light Yellow Stained with the Yellow Stained grades. Two new grades, Strict Good Ordinary Extra White and Good Ordinary Extra White would be added, making a total of 32 grades instead of 37 at present. Only 13 of these grades would need to be represented by physical type boxes of which at present there are 25. The standard boxes for the Yellow Stained and Blue Stained grades would be eliminated.

Research by the bureau has revealed that most of the cotton crop now falls in the White and Extra White, Strict Middling, Middling, and Strict Low Middling grades, with the higher grades tending toward Extra White and away from creamy or "buttery" color.

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PENNSYLVANIA STARTSNEW GRADING PROJECT

Pennsylvania Department of Agriculture recently started a new field of standardization work at a large cannery in Columbia County where raw peas delivered by farmers were graded by a licensed inspector. Grades which correspond with the grades for canned peas were used to classify the raw stock. Growers were paid for their loads in proportion to the quality of stock delivered. More than 600 acres of peas were under contract.

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M. H. BRIGHTMAN has resigned as Chief of Rhode Island Bureau of Markets, effective August 1, to become southern New England representative of a life assurance company. Russel C. Hawes has been appointed Acting Chief of the Bureau.



# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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July 31, 1935

Vol. 15, No. 31

### NEW YORK WANTS HIGHER BUTTER TARIFF

An increase of 7 cents a pound in import tariff on butter was recently requested of the Tariff Commission by Commissioner Ten Eyck of New York Department of Agriculture. This would raise the duty from 14 cents, the present rate, to 21 cents. The Commissioner made the following statement as basis for his request:

"The dairy industry of this State, representing an investment approaching two billion dollars and producing milk and dairy products valued at approximately \$125,000,000 in 1934, has been adversely affected by recently prevailing prices.

"Reports of the United States Department of Agriculture show that 20,000,000 pounds of butter have been imported into the United States since the first of this year, compared with a total of 1,107,000 during the entire year 1934. The apparent consumption of butter in the United States during the first three months of this year was less than that of the corresponding period last year by nearly 85,000,000 pounds.

"Storage stocks of butter on July 1 amounted to 96,000,000 pounds, and exceeded the five year average, despite the fact that on April 1, 1935, only 5,338,000 pounds of butter, or less than one-third of the five year average amount, was in storage.

"The price of butter on the New York market has declined from the high point of 38½ cents per pound on April 1, 1935, to a low of 23 cents per pound on June 25, the average price for the entire month of June being but 24.3 cents per pound."

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### NORTH CAROLINA BEGINS NEW COTTON MARKETING RESEARCH

A more intensive study of cotton marketing conditions in North Carolina is being planned by North Carolina Experiment Station in co-operation with the U. S. Department of Agriculture. Past studies, says the Station, have shown that market prices have not been conducive to the production of better quality cotton, for good cotton has brought no higher price than inferior lint. Nor have the market prices encouraged the growers of each community to standardize their product, it is stated. Effort is to be made to get growers to improve the quality of their crop on a community basis in order to secure higher prices.

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QUALITY STANDARDS for soybeans have been issued by the Bureau of Agricultural Economics.

### CANADIAN WHEAT BOARD TO CONTROL PRICES

A fixed minimum price to wheat growers in the four western provinces, with a Board authorized to purchase all wheat grown in those provinces whenever growers cannot sell in the open market at or above the minimum price, are outstanding features of the Canadian Wheat Board Act which became law July 5.

The minimum price is to be fixed by the Governor in Council on the recommendation of the Board at the beginning of each crop year. The actual price which the Canadian grower will receive when selling to the Board will be the guaranteed price less the cost of delivery to Fort William.

Growers will have the privilege of selling to the trade at prevailing market prices or of selling to the Board at the fixed minimum price with the possibility of receiving an additional payment at the end of the marketing season should any surplus profits result from the operations of the Board during the crop year.

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### GOVERNMENT HELPS FINANCE GRAIN HARVESTING COSTS

Farmers whose small grain crops are subject to liens securing emergency crop loans may use up to one-half of the sale-proceeds of the grain to pay necessary harvesting and threshing costs, the Farm Credit Administration has announced. Heretofore, these allowances were limited to specified amounts per bushel.

It is stated that the emergency crop and feed loan offices, since the beginning of the small grain harvesting season, have been assisting borrowers to harvest their grain crops by releasing a part of the grain sale proceeds to pay harvesting and threshing expenses. Borrowers from the fund give first liens on their crops; and those needing funds to pay the cash cost of harvesting and threshing are permitted to retain out of the proceeds of the sale of their grain the necessary amount to pay such expenses. Harvesting and threshing costs may include items such as the threshing bill, purchase of twine and sacks, oil and fuel for tractors, feed for workstock, and actual hired labor; not labor performed by the borrower himself or members of his family.

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### MARYLAND ROADSIDE STANDS NEED NOT DISPLAY SIGNS

It was unanimously decided at a recent meeting of the executive committee of the Maryland Farm Roadside Market Association that the association by-laws be amended to the extent that members will not be required to display an official sign, but in lieu thereof a Certificate of Approval will be issued to all paid-up members of the Association without additional cost. Membership is \$1 per year. The Certificate of Approval may be framed and displayed.

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"COST OF PRODUCTION OF CABBAGE", - a mimeographed report, - has been issued by the Bureau of Agricultural Economics.



CATTLE INDUSTRY TO EXPAND  
BUT SMALLER SLAUGHTER THIS FALL

Fewer cattle and calves will be slaughtered this Fall than last when the drought forced heavy marketings, according to the mid-summer beef cattle outlook report of the Bureau of Agricultural Economics. The reduction is expected to be chiefly in slaughter of calves and of the better grades of steers.

The bureau expects a larger number of cattle will be fed in the Corn Belt this Fall and next Winter in view of increased feed grain production. The result will be larger marketings of grain-fed cattle during the first half of 1936.

A much stronger consumer demand for beef and veal this year compared with last is reported, with indications of further improvement during coming months. This is based upon prospects for increased consumer incomes the remainder of this year and during early 1936, and on reduced supplies of pork.

The bureau says there may be about the same number of cattle on farms and ranches at the beginning of 1936 as at the beginning of 1935, but that thereafter numbers will increase.

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FT. WORTH COMMISSION MEN  
ORDERED TO REDUCE RATES

Livestock commission men at the Ft. Worth stockyards were ordered recently by the Secretary of Agriculture to put into effect a schedule of rates and charges for buying and selling livestock which will result in an approximate reduction of 10 percent in the revenues produced by the schedule of rates now being charged. This order, affecting 30 commission firms, becomes effective August 9. A similar order to Denver commission men last September is now being contested in a Federal District court.

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NEW YORK CAN INSPECT  
TRUCKS WITHOUT SEARCH WARRANT

The right of New York Department of Agriculture and Markets to inspect a milk truck for evidence of violation of the so-called bottle law was recently upheld by a police justice of Herkimer, N. Y., when he dismissed charges against four department inspectors. Counsel for the department contended that when a milk dealer files an application and accepts a milk dealer's license from the Commissioner of Agriculture and Markets the dealer thereby consents to inspections and regulations by the Commissioner, his agents and employees. The dealer in the case was found using bottles of other dealers, - a violation of regulations.

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TENTATIVE STANDARDS for grades of canned peaches (yellow clingstone) have been issued by the Bureau of Agricultural Economics.

A STATEMENT on the "Manufactured Dairy Products Situation" presented by E. E. Vial at the American Institute of Cooperation at Ithaca, July 15, may be obtained from the Bureau of Agricultural Economics.

FEDERAL LEGISLATIVE RECORD

H. R. 8631, to provide for the use of net weights in interstate and foreign commerce transactions in cotton. On July 22 this bill was reported favorably to the House by the Committee on Agriculture. Similar bills have been pending for a number of years upon which like reports have been made to the House.

H. R. 8819, "The Potato Act of 1935", introduced by Rep. Warren, was reported favorably to the House by the Committee on Agriculture on July 23. It would amend the Agricultural Adjustment Act to make potatoes a basic agricultural commodity, and to raise revenue by imposing a tax on the first sale of potatoes. In the discussion in the Senate of H.R. 8492, which would amend the Agricultural Adjustment Act in many particulars, the Warren Bill was offered as an amendment, and was agreed to by the Senate prior to passage of that bill. Therefore, the bill H.R. 8492 as passed the Senate has incorporated therein the text of H. R. 8819.

H. R. 8026, to provide for tobacco classification and inspection passed the House on July 25.

H. R. 8492, to amend the Agricultural Adjustment Act, was passed by the Senate on July 23. Numerous amendments to existing laws are embodied in the bill.

S. J. Res. 9, to investigate agricultural income and the financial and economic condition of agricultural producers generally, was favorably reported to the House on July 23. In the report are quoted "pertinent facts" regarding the agricultural situation taken from a report of the Senate Committee on Agriculture and Forestry, with a statement from the Federal Trade Commission that "the Commission believes that the investigation provided for by S. J. Res. 9 is one which would be of great importance both to producers and consumers of farm products".

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NEW JERSEY REQUIRESPOTATO DEALERS FILE RECORDS

New Jersey Department of Agriculture has announced it will require all potato dealers operating in New Jersey this year to furnish the department with comprehensive daily records on purchases and sales. The Secretary of Agriculture in New Jersey is said to have this power under the produce dealers' licensing and bonding law. Each dealer will be required to keep records on a form supplied by the department. The licensing and bonding law states, in part, that the Secretary of Agriculture may refuse to grant or may revoke produce dealers' licenses where required records are not kept or where there has been a continual course of dealings that are contrary to the interests of the growers. The department has opened a special potato office at Highstown to provide market information to growers.

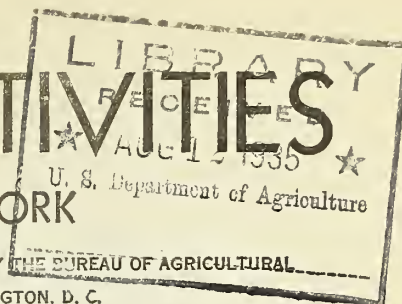
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W. L. ELSER has resigned as Director of Extension in New Mexico; G. R. Quesenberry, extension agronomist, will be the new director.



# STATE AND FEDERAL MARKETING ACTIVITIES AND OTHER ECONOMIC WORK

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August 7, 1935

Vol. 15, No. 32

## REGIONAL ADJUSTMENT PLANNING CONFERENCES TO BE HELD

A series of field conferences to develop regional adjustment plans will be held during August and September under a cooperative project by the Agricultural Adjustment Administration, the Bureau of Agricultural Economics, and Agricultural Experiment Stations. Conferences of these Federal and State agencies will be held at Corvallis, Oregon, August 14 to 16; Ames, Iowa, August 19 to 24; Logan, Utah, August 26 to 28; Athens, Georgia, September 2 to 7, and Storrs, Connecticut, September 9 to 14. Regional reports at these conferences will be used in program planning by the AAA.

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## NORTHEAST POULTRYMEN TO MEET IN MARYLAND

Meetings of the Northeastern Poultry Producers' Council will be held at the University of Maryland August 14 to 16. Poultrymen from thirteen States, and Federal and State agricultural officials, will participate. Speakers will include Dr. A. L. Sullivan, Maryland State Food and Drug Commissioner; W. D. Termohlen of the AAA; Dr. E. W. Benjamin of the Pacific Egg Producers' Cooperative; James E. Rice, professor emeritus of Cornell University; Dr. Frank B. Bomberger, president of the Baltimore Bank for Cooperatives; Dr. W. I. Myers, governor of the Federal Farm Credit Administration, and Dr. Louise Stanley, chief of the Bureau of Home Economics. The Council is composed of organizations of poultrymen in Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and West Virginia.

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## CALIFORNIA ENACTS MANY AGRICULTURAL LAWS

Twenty-three laws were enacted by the 1935 session of the California Legislature, dealing with various phases of regulatory, standardization and control work of California Department of Agriculture. One of the more important of the laws sets up four standards, or qualities, for the grading of butter. Butter scoring 88 points or below cannot be legally sold for use on the table.

A section was added to the Agricultural Code making it unlawful to sell any meat or meat products, sausage casings, or other casings that contain dye or artificial coloring. Another new section to the code provides that the term "meat" as used in the foreign cold storage section

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of the Code include dressed rabbits and dressed poultry. Wholesalers, dealers, and importers who sell, handle or furnish cold storage meat must produce a State license, keep records, and tag all such meat to show that it is foreign cold storage meat.

An excise tax of ten cents per pound is to be levied on all oleo-margarine sold in the State, which contains any fat or oil other than certain oils or fats listed in an Act on this subject. More than a dozen laws passed by the Legislature deal with the handling, grading, or marketing of dairy products, and with marketing control.

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SHEEP FUTURE LOOKS BETTER;  
LAMB AND WOOL SUPPLIES CUT

A decrease in market supplies of lambs this Fall and also during the fed-lamb season next Winter, as compared with a year earlier, with prices well maintained, is in prospect according to the mid-Summer sheep and wool outlook of the Bureau of Agricultural Economics.

A decrease in the 1935 lamb crop and a tendency by sheepmen to hold back ewe lambs for restocking in areas where flocks were curtailed by drought last year are factors which will operate to reduce the supply of lambs for slaughter until the 1936 lamb crop will be ready for market, it is stated.

Wool prices are expected to be well maintained during the remainder of 1935. An upward trend in sheep numbers in western States during the next few years is in prospect.

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EXPORT APPLES AND PEARS  
MUST BE INSPECTED

With the opening of another shipping season for apples and pears, the Bureau of Agricultural Economics calls attention to provisions of the Export Apple and Pear Act. This Act makes it unlawful for any person to offer for shipment or to ship - or for any person, carrier, or steamship company to receive for transportation or transport - to a foreign destination apples or pears which are not accompanied by a certificate issued under authority of the Secretary of Agriculture showing that the fruit is of a Federal-State grade which meets the minimum of quality established by the Secretary for shipment in export.

The regulations are that apples must meet each minimum requirement of the "United States Utility" grade or of the "United States Utility Early" grade, subject to tolerances for these grades, except that apples shall not contain apple maggots, and not more than 2 percent by count may have apple maggot injury and not more than 2 percent may be infested with San Jose scale.

Any lot of pears must meet each minimum requirement of the United States Grade No. 2 for pears subject to the tolerances for this grade and subject also to the same provisions as for apples as to apple maggots, apple maggot injury and San Jose scale. Fruit shipped to trans-Pacific ports need not comply with the maturity standards of the grades if the packages are conspicuously marked "immaturity fruit". Less than carload quantities are not subject to the provisions of the Act, when shipped to certain countries.



IOWA SAYS LIVESTOCK  
PRICES AT "CEILING"

Hogs, cattle and lamb prices, all stalemating each other to a certain extent, have reached the "ceiling", say Iowa extension economists, who believe that further price advances during the remainder of this Summer await a more favorable situation with regard to consumer buying power.

Hog prices, reflecting a slight advance in purchasing power, it is stated, have recently reached a new five-year level, but cannot be expected to rise much above the present figure without increased industrial activity. Not even the extremely scanty supplies of dressed pork and hogs can be expected to boost the present prices, say the economists. Cattle are in much the same position as hogs, it is stated, and little change in lamb prices is considered likely during the remainder of the Summer.

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NEW JERSEY SAYS PUBLIC  
LIKE GRADED PRODUCTS

Growing appreciation by the public and the produce trade of the value of grading fruits and vegetables is reported by New Jersey Department of Agriculture. The department recently started to grade all tomatoes purchased by six leading South Jersey canneries. A large volume of New Jersey strawberries, onions and asparagus has been graded this year. The grading of cannery tomatoes will continue until about October 1, and is expected to cover about 75 percent of the crop. Inspections are being made at canneries at Camden, Bridgeton, Salem, Vincentown and Greenwich. The department has employed for inspection work only men who are licensed as fruit and vegetable inspectors by the Bureau of Agricultural Economics.

The inspectors will sample each load of tomatoes at the cannery and classify it according to its content of U.S. No. 1, U.S. No. 2, and Culls, the canneries paying for stock of the first two grades but not for Culls. Canneries and farmers receiving the grading service reimburse the department for the expense involved.

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SCHENECTADY REQUIRES  
GRADING OF MEATS

The Board of Health of Schenectady, New York, has passed an ordinance requiring that all beef, veal, lamb, mutton, and pork offered for sale be classified, graded, and marked in accordance with the standards, rules, and regulations of the Bureau of Agricultural Economics. The bureau assisted in starting the meat grading on August 1.

A similar service was inaugurated at Seattle, Washington, last November, and is said to be working well, having been endorsed by consumer organizations, hotel and restaurant operators, the local meat dealers' association, and many wholesalers. Other cities are said to be considering similar ordinances.

### NEW YORK TRYING TO DEVELOP NEW FOOD PRODUCTS

Development of new food products and the improvement of old products are subjects of research by New York Experiment Station at Geneva. Studies under way deal with fruit and vegetable products, such as sauerkraut, frozen fruits and vegetables, fruit juices, and the like, and a wide variety of dairy products.

It is stated that ways to avoid changing the physical character of milk in the pasteurization process have been determined; a new method for making cream cheese resulting in a better and more sanitary product has been developed; and methods for preparing satisfactory cream for table use have been perfected.

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### CALIFORNIA SAYS PRUNE OUTLOOK DOUBTFUL

The situation facing the prune industry in California is the most unfavorable since the Spring of 1932, says Dr. H. R. Wellman, associate agricultural economist of Giannini Foundation, University of California. Prospects are that the world supply of prunes for the 1935 crop marketing season will be 50,000 tons more than the supply of a year ago, and 90,000 tons more than have been marketed during the current season, Dr. Wellman says.

The outlook for exports is not encouraging, it is stated, the German market being in particularly bad shape from the standpoint of California prune growers. Dr. Wellman adds there is little prospect the domestic market can absorb any large increase in supplies, except at substantially lower prices. The world supply of prunes for the 1935 crop year is estimated at 320,000 tons.

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### AGRICULTURAL ADJUSTMENT ADMINISTRATION NEWS

The new wheat adjustment plan, covering the four-year period, 1936-1939, was virtually completed on July 31. Contracts will be subject to termination at the end of any marketing year by the Secretary of Agriculture, and any grower will have the option of withdrawal at the end of the first two-year period. The campaign for 1936 will seek to place from 50,000,000 to 53,000,000 acres of wheat land under contract.

Dr. Calvin B. Hoover, Consumers' Counsel of the AAA, will leave that position soon to return to his post as professor of economics at Duke University. Donald E. Montgomery, assistant director of the Consumers' Counsel, will succeed Dr. Hoover as Consumers' Counsel. The change will be effective about September 15.

The AAA announced recently that a new Louisiana sugarcane production adjustment contract will be offered to Louisiana sugarcane producers for the 1936 crop year, instead of extending the existing contract in its present form. Growers of flue-cured tobacco will be offered an adjustment program, covering the crop years 1936-1939, which in effect will be a continuation of the program in force for the crop years 1934 and 1935.



# MARKETING ACTIVITIES

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August 14, 1935

Vol. 15 No. 33

### NORTHEASTERN VEGETABLE GROWERS COUNCIL MAY BE ORGANIZED

Organization of a Northeastern Vegetable Growers Council will be considered at the annual convention of the Vegetable Growers Association of America at Hartford, Connecticut, August 19 to 22. Every vegetable growers association in the Northwestern States is being invited to send official delegates to the convention. The council, if organized, may be patterned largely after the Northeastern Poultry Producers Council, of which Sidney A. Edwards of Connecticut Department of Agriculture is Secretary.

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### GOVERNMENT WILL LEND ON FARM STORED GRAIN

Loans will be made on a business basis to farmers who wish to store grain on their farms, the Farm Credit Administration has announced. They will be regular production credit loans, and made for any agricultural purpose. They will give farmers an opportunity to borrow on grain stored in good storage on their farms and thus avoid the necessity of taking grain to the elevator or mill, to be purchased later by another farmer for feeding purposes.

"Much of the feed produced in the United States is sold to neighbors and if a farmer is operating on a sound business basis, there is no reason why he shouldn't be granted credit on the security of grain properly stored on his farm just as readily as an elevator operator can borrow money on grain held in his elevator or warehouse," says Governor Myers of the FCA.

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### OKLAHOMA FARMERS REPORT BEST INCOME IN SEVEN YEARS

Farmers in Oklahoma who keep farm records in cooperation with Oklahoma Extension Division received larger returns from their operations during 1934 than for any year since 1928, says the Division. The average operator in northwest Oklahoma received for this year's labor \$1,067 compared with \$390 in 1933, and a loss of \$933 in 1932, it is stated. Wheat, averaging 14.9 bushels per acre, was the best paying crop for farmers in northwest Oklahoma last year. Those with the largest acreage of wheat with good yields made the most money. AAA payments made up 8.3 percent of their total farm returns.-

IOWA FARM INCOME  
INCREASED ONE-THIRD

Average net farm income on 516 Iowa farms, as shown by farmers' records, was \$2,764 in 1934 compared with an average of \$1,990 on 470 farms in 1933, reports H. B. Howell, Iowa State College. Increasing prices of farm products which started in 1933 and continued through 1934 accounted for the improvement.

Although gain in income was partially "paper" profit, as was the case in 1933, there was a great improvement in net cash income in 1934, indicating the farmer had realized on his paper profits of 1933, it is stated. The average net cash income to the operator nearly trebled itself, averaging \$1,485 compared with \$555 in 1933. The management return on these farms averaged \$1,445 in 1934 against \$790 in 1933.

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NEW JERSEY POTATO  
GROWERS ORGANIZE

Potato growers are being organized in New Jersey to sell their crop to dealers who will quote one price to the various markets, and thereby eliminate price cutting. Growers face a serious marketing situation this season, says Dr. W. H. Martin, New Jersey Experiment Station.

"Starting with the Florida crop," he says, "growers all the way up the eastern shore have received extremely low prices for their crops in spite of the fact that acreages planted in southern States were much lower this year than last. These low prices were due to quite an extent to the extremely heavy carryover of last year's crop, particularly of the Maine bumper crop.

"The situation in Virginia became so acute that producers refused to ship unless they received two dollars a barrel, f.o.b. Virginia. Shipments declined under these conditions and cars piled on the tracks, until the third week in July when prices broke to a new low level.

"Since Virginia did not ship her crop out quickly, New Jersey was ready to harvest as prices continued at a low level. New Jersey shipments started out at a dollar a hundredweight, but due to lack of cooperation between dealers and the fact that no market plan was adopted, prices declined to about half that amount."

Committees of growers and dealers met and drew up plans for handling the remainder of this year's crop. The plan follows procedure similar to that used the past two years.

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PENNSYLVANIA PLANS RIGID  
EGG LAW ENFORCEMENT

Pennsylvania Department of Agriculture is planning rigid enforcement of the "fresh egg law" recently enacted in that State, so that producers and consumers may gain its full benefits. The law provides standards for fresh eggs and prohibits labeling eggs as fresh unless they meet the minimum requirements set by the law. Terms such as "new laid eggs" or "strictly fresh eggs", it is stated, have been used in



merchandizing eggs which were really not fresh.

Minimum requirements for fresh eggs as provided in the new legislation are: (a) The air cell must be not more than two-eighths of an inch in depth localized regular; (b) the yolk may be visible but not plainly visible or mobile; (c) the white must be firm and clear; (d) the germ must not show any visible development. A tolerance of ten percent is allowed in wholesale lots of shell eggs, for eggs which do not quite meet the minimum requirements. Shell eggs which fail to meet the fresh egg standards must be sold simply as "eggs".

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WOULD SELL COTTONSEED  
ON QUALITY BASIS

Cottonseed research by the Bureau of Agricultural Economics is directed at payment to producers on the basis of quality of their product. Permissive standard grades for cottonseed have been promulgated, and establishment of a cottonseed price reporting service is recommended.

G. S. Meloy, bureau marketing specialist, in a report just issued on the development of standards for grades of cottonseed, says the standard method of grading provides a basis grade of such definite description, both as to quantity and quality of products, that the fairness of the base price is easily determined. The risks of the buyers are eliminated so that relatively higher general prices should result and sellers of cottonseed should be assured of fair and equitable prices. Premium grades are provided for seed from which more products can be obtained than from seed of the basis grade. The low grades provide a means for calculating the true value of cottonseed deficient either in products or in quality.

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AGRICULTURAL ADJUSTMENT ADMINISTRATION NEWS

The AAA reported recently that cumulative gross receipts of processing and related taxes from date of imposition through May 31, 1935 had reached a total of \$866,694,982.40. The processing taxes have been collected on the first domestic processing of eight agricultural commodities designated by the Adjustment Act as basic and compensatory taxes have been collected on paper and jute products which compete with cotton. The related taxes including the ginning tax on excess cotton under the Bankhead Cotton Control Act; and tobacco producers sales tax collected on excess tobacco under the Kerr-Smith Tobacco Act.

The license for processors of wood turpentine and wood rosin, and the licenses for agents, commission merchants, distributors and factors of gum rosin and turpentine were suspended by the AAA on August 5.

Repayment of the 1934 corn loans is nearly completed, reports the AAA, with less than \$200,000 outstanding. The total amount of money advanced farmers under the 1934 program was approximately \$11,038,390.

The AAA recently issued an order restoring the license of the California Canning Peach Growers, San Francisco, California, under License No. 75 for Canners of Cling Peaches grown in the State of California.

FEDERAL LEGISLATIVE RECORD

S.12 - To amend the packers and stockyards act. This bill would add title five to the act and is designed to bring the shipment of poultry within the jurisdiction of the Secretary of Agriculture. It was discussed in the House on August 6 and passed. The bill also has been approved by the Senate, having been passed by that body on May 28. It now goes to the President for approval.

S. 3393 - Was introduced by Senator Sheppard on August 8. It would create a Federal Board of Foreign Trade. The object of the bill is to coordinate the various agencies of the government having to do with foreign trade into a more unified form of action. There are listed in the bill 54 agencies under the federal government dealing with various phases of foreign trade.

H. R. 8026 - The tobacco inspection act which passed the House late in July was favorably reported to the Senate by the Committee on Agriculture and Forestry on August 8.

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FARMERS' GROSS INCOME from 1934 production, from rental and benefit payments by the Government, and from the forced sale of livestock assets, is estimated at \$7,300,000,000 by the Bureau of Agricultural Economics. This is an increase of nearly \$900,000,000 over 1934, and of nearly \$2,000,000,000 over 1932. The bureau says the improvement in farmers' financial condition is even better than is indicated by gross income and cash income estimates, since production costs have increased less than income.

A BULLETIN entitled "Cost-of-Production and Price" may be obtained from the University of Minnesota. It contains a discussion of certain fundamental characteristics of farm costs that account for the slow response of farm production to cost-of-production price relationships and also make difficult the fixing of prices on a cost basis.

RETAIL SEED SALES of sixteen important hay and pasture crops averaged about 5 percent less in the Spring and early Summer of this year than in 1934, which also was a year of light sales, according to reports to the United States Department of Agriculture by more than 2,000 dealers. The decrease is attributed to lack of ready cash and comparatively high prices due to a shortage of most seeds.

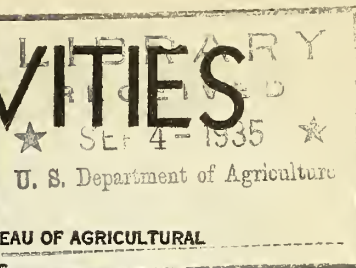
INVESTIGATIONS of the nutritive value of New York grown vegetables have been started by New York Experiment Station at Geneva, New York. Studies will be made also of methods of handling and storing vegetables to conserve their vitamin C content.



## MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.



August 21, 1935

Vol. 15, No. 34

NEW MARKET OPENED BY  
FARMERS, IN BOSTON

Dissatisfied with the congested Faneuil Hall market area in Boston and with the "rather antiquated methods of merchandising their produce in practice for many years, vegetable and fruit growers opened a new market of their own organization in the West Cambridge, Mass., district, August 1, reports New Hampshire Department of Agriculture.

The new development was the accumulation of several years' study which included population trends, modern developments in other cities, and accessibility of location by truck and train for both producers and buyers. The new market is located about five miles from the Faneuil Hall district, and can be easily reached by producers from northern New England and by growers from southern and western New England, without having to enter the congested area of the city.

The market has morning and afternoon sales periods. The morning market, designed primarily for local buyers, opens at 2 a.m. and closes at 10 a.m. The afternoon session, opening at 6 p.m. and closing at 11 p.m., is convenient for distant buyers who desire fresh produce but must truck it a considerable distance before opening hours in the morning. Stall rent in the market is \$1 a day.

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REVISION OF COTTON STANDARDS  
ANNOUNCED BY SECRETARY

A revision of the United States standards for grades of American upland cotton was announced August 20 by Secretary of Agriculture Henry A. Wallace to become effective on August 20, 1936 under the authority of the Cotton Standards Act and in accordance with the international agreement between the Department of Agriculture and the principal cotton associations of Europe.

This revision has been made to make the standards more nearly represent the crop. The number of grades is reduced from 37 to 32 and the number of standards boxes from 25 to 13. The revision is the result of a study begun following the International Cotton Standards Conference in 1933. The proposals of the changes were exhibited to representatives of American producers, merchants, and manufacturers on July 11 this year. Representatives of the Bureau took the proposed standards to Havre, France, where they were exhibited to delegates of the European exchanges on July 25 and 26. After some minor modifications, they received the unanimous approval of the European delegates. They were again exhibited to the American trade on August 19, and have received practically the unanimous approval of this group.

Boxes representing the new standards are on display in the Bureau of Agricultural Economics at Washington, and will be duplicated as rapidly as possible for those who desire to purchase sets.

### NEW JERSEY POULTRY AUCTIONS HAVE PROVED SUCCESSFUL

The auction system of selling eggs and poultry is here to stay, according to Alben E. Jones, supervisor of poultry products marketing for the New Jersey Department of Agriculture.

In sales made by the five farmer-owned poultry products auctions in New Jersey, Jones declared that the value of auction selling has proved itself during the depression years 1931 to 1935. These auctions, which are located at Flemington, Vineland, Mount Holly, Hightstown, and Patterson, during the 12-month period ending June 30, sold more than two million dollars worth of eggs and poultry for their farmer-members. The operation of the New Jersey auctions so far have amply demonstrated that the auction system is sound only when the markets are operated as cooperative enterprises, when they are located in the producing area, and when they are near enough to large urban centers to attract sufficient buyers of high-grade products, Jones stated.

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### JULY FARM CASH INCOME REPORTED ABOVE JUNE

Cash income of farmers from marketings, including rental and benefit payments, was \$471,000,000 in July, compared with \$468,000,000 in June and \$532,000,000 in July, 1934, according to estimates released by the Bureau of Agricultural Economics.

The lower level of income in July this year compared with the same month a year ago is largely due to the abnormal situation that existed in July 1934. In that month farm prices advanced sharply in response to the drought situation that prevailed and farmers were still marketing largely from their old crop supplies, says the Bureau.

The later harvesting season this year resulted in the movement of grains from the new crop which was smaller than usual in July. Cotton marketings also continued unusually light. Income from livestock and livestock products continued considerably above the level of a year ago as higher prices more than offset the smaller volume of marketings.

Cash income from the sale of farm products alone in July was \$451,000,000. Rental and benefit payments were \$20,000,000, compared with \$30,000,000 in June this year and \$30,000,000 in July a year ago.

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### CALIFORNIA WALNUT ACREAGE REPRESENTS SUBSTANTIAL INVESTMENT

Forty-seven counties of the State of California grow walnuts, with a total of 139,005 acres representing an investment of over \$135,000,000. A study made by the Farm Management Division of the University of California College of Agriculture, indicates that the per acre valuation for Ventura County is \$1,669; for Santa Barbara County, \$1,667; for Orange County, \$1,594; and for Los Angeles County, \$976. Bearing acreage, however, ranges from 26,154 in Los Angeles County, to only 8 bearing acres in Madera County.

The study covering seven years, including the depression period, shows that in no year has income in the Ventura area failed to meet cash costs and depreciation and leave a substantial income to be considered as earnings on the investment.



WHEAT OUTLOOK REPORT  
ISSUED BY BUREAU

The summer wheat outlook report was released August 14 by the Bureau of Agricultural Economics. The short crops of the last three years, together with other influences, have resulted in wheat prices in the United States being maintained at levels unusually high relative to the "world market" price. Generally speaking they have been 20 to 30 cents higher than might have been expected with more nearly normal yields in the United States. With the return of average or greater than average yields in the United States in 1936 or later, there would be an export surplus, and prices would have to adjust toward an export basis unless preventative measures were taken.

World wheat prices during the 1935-36 season may be expected to be higher than for the past season if present crop prospects are borne out. Prices in 1936-37 will depend largely upon production for that season, but world-wide adjustments have not yet gone far enough to assure a continued improvement in world wheat prices. Only in the event of unusual circumstances such as wide-spread low yields or further currency depreciation is it likely that the 1936-37 average Liverpool price will be greatly above last year's level.

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BUTTER PRICES HIGHER ON WEST COAST  
AS PRODUCTION DECREASES

Higher butter prices on the West Coast this summer, caused by reduced production of butter in the Western States, have attracted increased shipments from the Central West. The Federal-State Market News Service at the California State Department of Agriculture reported butter prices there several cents higher than in Central and Western States, and that production in June was  $7\frac{3}{4}$  percent less than a year ago.

Weather conditions affected the Pacific Coast butter markets during recent weeks. The high temperatures reduced the total output of butter when large quantities of sweet cream were diverted from butter manufacturing plants to ice cream factories.

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BETTER USE OF LAND  
WOULD SOLVE LIVING PROBLEMS

If some people of Ohio are hungry, or have not enough clothing, or permanent shelter, it is not because of a scarcity of food, clothing, or shelter but is the result of the decline of business activity and the unequal distribution of wealth, says C. E. Lively, professor of rural sociology, Ohio State University, who suggests ways of making some needed changes.

Apparently the land resources of the Nation are quite sufficient to provide for our present population and even for the maximum population of the country for the next half century. However, if the continued cropping of the poorer lands is followed by people who give little thought to conservation, such families must fight a losing battle which will leave the Nation poorer both in land and human resources. Hence, some readjustment should be made there.

Professor Lively recommends: (1) Cooperative plans between Government and farm families for crops more adaptable to the region, such as planned in the Salt Creek Valley project, Muskingum County, Ohio. (2) Enlarge farm units, to attract more capable farmers, who will crop only the most adaptable land. (3) Including conservation, recreational, and other projects so as to provide part-time employment for farmers in upkeep labor and services to visiting population. (4) Reforestation. (5) Concentrating scattered population of an area upon good land in nearby communities where part-time industrial employment may be available. These suggestions are believed to be helpful in making less difficult the problem of institutional support.

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#### HORSE PULLING CONTENTS BEING HELD IN ILLINOIS

Horse pulling contests have been popular in Illinois this summer as means of illustrating pulling value of horses and of interesting farmers and others in the importance of proper breeding and training for greater usefulness of horses.

According to E. T. Robbins, animal husbandry extension specialist, College of Agriculture, University of Illinois, numerous contests are scheduled and much interest has been shown in the new State record already established for teams weighing more than 3,000 pounds. This record was established when a pair of grade Percheron geldings lifted 3,400 pounds 27½ feet on the dynamometer. The former record was 3,250 pounds. This team, weighing 4,090 pounds, defeated several of the best teams from neighboring States, as well as local entries.

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#### W. F. CALLANDER BECOMES ASSISTANT ADMINISTRATOR OF AAA

W. F. Callander, who has been in charge of the Division of Crop and Livestock Estimates and chairman of the Crop Reporting Board since July 1923, was appointed assistant administrator of the Agricultural Adjustment Administration, effective August 16.

Joseph A. Becker, who has been with the crop estimating work since 1918, will take over the posts left vacant by Mr. Callander. The research work, of which Mr. Becker has been in charge, will be directed by D. A. McCandliss, senior agricultural statistician and regional cotton statistician for Mississippi, who has been brought to Washington.

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RESULTS OF RICE DRYING INVESTIGATIONS have been published by the United States Department of Agriculture in Circular 292, "Artificial Drying of Rice on the Farm". Details of tests in Texas and Arkansas rice regions are given in the circular. Engineers have found that artificial drying pays in conditioning rice harvested with binders. Combines now available are said to be not well adapted to rice harvesting.

RENEWED ACTIVITY in roadside stand operation is reported this year in Rhode Island and Massachusetts. Agricultural department officials in these States report heavier roadside sales than in two years past.

PEAR SHIPMENTS to Eastern markets from the Pacific coast no longer reach a sharp peak during the packing season, since precooling has come into general use, reports the United States Department of Agriculture.



# MARKETING ACTIVITIES

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Vol. 15, No. 35

August 28, 1935

### NORTHEASTERN POULTRY PRODUCERS WOULD PAY BREEDING CONTROL COSTS

The Northeastern Poultry Producers Council, in recent session at College Park, Maryland, adopted a resolution declaring that poultrymen themselves and not the government should pay costs within the states of a proposed national uniform plan for poultry breeding and disease control.

Poultrymen in other sections of the country, according to the resolution, have proposed that the United States Department of Agriculture allocate Federal funds to the several states to finance the proposed breeding and disease control plan within the states.

Viewing this proposal "with strong disfavor," the resolution said "we believe this service should be paid for by the cooperating poultrymen operating under the supervision" of an official state agricultural agency. This resolution, according to James E. Rice, president of the Council, was passed because of reports that efforts were being made to have the Federal government assume costs of inspection service for record of performance associations, organizations of poultry breeders who now pay these costs themselves.

Other resolutions by the Council urged the Federal Crop Reporting Service to gather and disseminate more statistical information on commercial poultry farming; requested the Federal Food and Drug Administration "to develop a suitable program for the assaying of Vitamin D carriers to be used for poultry feeding"; requested the Secretary of Agriculture "to take any steps or action necessary to protect the poultry industry, in any shifts or changes that may occur, under present or future agricultural adjustment programs," and urged, as a means of strengthening efforts now under way to eliminate live poultry rackets in New York City, that all live poultry shipped into that city be inspected by an official governmental agency.

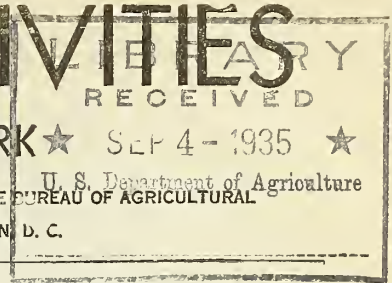
The Council urged that fresh egg laws be enacted in all northeastern states not now having such laws. It agreed to cooperate, also, with the Federal Trade Commission in a program to eliminate unfair competition and unfair trade practices in the baby chick business.

### Auction Markets Permanent

The system of selling eggs and poultry over producers' cooperative auction markets "is here to stay", Alben E. Jones of New Jersey Department of Agriculture told the Council. Operation of these markets, he declared has standardized egg production in the northeastern states and stabilized the price for these standard products. The publication of these stabilized prices has increased the price of poultry produce to all producers in areas where they operate.

U. S. Dept. of Agriculture  
Attn., Miss Trolinger,  
Washington, D. C.

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### Cooperative Egg Marketing Successful

Cooperative egg marketing in Connecticut, said Homer D. Huntington, director of the Connecticut Poultry Producers Association, is yielding increased returns to poultrymen and supplying the consumer with products of a higher quality. There are two associations in Connecticut. Eggs sold through the cooperatives are graded by the organizations and the producer-members paid for their eggs according to the quality and quantity delivered. The Connecticut Poultry Producers Association has sold, during the ten years of its existence, more than \$4,000,000 worth of eggs for its members, and has succeeded, the speaker declared, in establishing recognized and representative quotations for Connecticut eggs, superseding New York quotations as a basis of value for native eggs.

### Wants Producers to Meet Home Demand

There is no reason, said H. C. Byrd, acting president of the University of Maryland, why eggs should be brought from other territories into the thirteen northeastern states which comprise the area covered by the Northeastern Poultry Producers Council. Plans are being considered, he said, for a survey of markets, with a view to more completely supplying the demands close at home.

### Would Cooperate With Consumers

Dr. T. B. Symons, Director of Extension at the University of Maryland, suggested the possibility of the poultry industry enlisting the cooperation of consumers' organizations "by having a conference with them so as to ascertain their particular desires and needs from time to time." Such a conference, he said, "could well devote its whole attention toward meeting the consumer demand and discussing this important subject from all angles." Pointing out the need for improving the marketing of poultry products, the speaker expressed the belief that "the consumer will readily pay if the quality of the product is guaranteed."

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### CALIFORNIA DAIRYMEN WOULD FORM MILK MARKETING AREA

Petition for the formation of a milk marketing area under the recently enacted Young bill in California has been filed with State Director of Agriculture A. A. Brock by 78 dairymen who ship milk to Sacramento and nearby markets. Signatures on the petition are said to represent more than the required 65 per cent of the fluid milk producers, and more than 65 per cent of the milk volume produced in the marketing area which was described as the City of Sacramento, North Sacramento, Florin, Del Paso Heights, all in Sacramento county; Broderick in Yolo county, and one mile of their corporate limits. The milk shed has a total volume of 348,000 gallons per month.

The Sacramento petition is the third to be filed under the new milk market stabilization bill, the first being that of the San Francisco market area, and the second that of the Stockton-San Joaquin area. The San Francisco control board has been elected and is now drawing up a stabilization program.



LIVESTOCK TRUCKING INCREASED  
TO NEW ORLEANS STOCK YARDS

Transportation of livestock to the New Orleans Stock Yards by truck has been steadily increasing during recent months, while shipments by rail have declined, reports B. B. Jones of Louisiana Extension Service. In the 12 months ended June 30, 1935, the railroads brought a total of 108,652 head of all kinds of livestock to the local market, compared with 109,182 head the preceding year. The number trucked increased from 22,951 head in 1934 to 46,808 in 1935.

Mr. Jones says this change in marketing methods has been going on in most all other markets also, but until this past year the truck movement of livestock was not a very important factor in the local livestock market. He declares that factors in the livestock business must take this change in marketing practices into serious consideration and guage their future operations accordingly.

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PENNSYLVANIA POULTRYMEN  
HAVING CHICKENS TATTOOED

Several hundred thousand chickens in flocks in Pennsylvania have been tattooed in a campaign to stop poultry thieving. Pennsylvania Department of Agriculture, Pennsylvania State Police, and the State Poultry Association are cooperating with poultrymen in this movement. Poultrymen are assigned code markings which are impressed through the web of the wing of each bird. The tattoo is indelible and cannot be destroyed. Each poultryman registers his identification mark with the Pennsylvania Poultry Association, the Pennsylvania State Police, and the local police. Poultrymen are provided with a large sign for front gates, warning would-be thieves that the poultry within are tattooed and registered.

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IOWA APPLE GROWERS URGED  
TO GRADE FRUIT CAREFULLY

Iowa apple growers are being urged by Iowa State College to grade their products carefully in order to attract local buyers. Heavy crops in neighboring states, it is stated, indicate that a considerable quantity of apples will be trucked into Iowa this year, in direct competition with local products. Iowa growers are being asked to handle fruit carefully to avoid bruising and not to store blemished fruit. Careful supervision is recommended where picking crews are employed to harvest the apples to make certain that fruit will be picked and handled properly, and to guard against picking an undue amount of fruit spurs.

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NEW JERSEY SEED GROWERS  
ORGANIZE IMPROVEMENT ASSOCIATION

New Jersey farmers are organizing the New Jersey Field Crop Improvement Association to insure an adequate supply of high quality seed of improved varieties of field crops. Objects of the association, it is

stated, are to foster the collection and dissemination of information concerning the growing, harvesting, storing and handling of seeds of field crops; to promote the selection and breeding for improvement of yield and quality of all field crops, and to encourage better and more thorough methods of culture.

It is expected that the "quantity of improved seed will be increased rapidly under the auspices of the association, so that inferior varieties of the principal field crops now grown so widely may be completely replaced with more productive strains and that farmers will have the advantage of higher yields and lower costs which come from the use of superior strains."

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#### IOWA WARNS AGAINST RAPID RISE IN LAND VALUES

Discussing the recent rise in land values, W. G. Murray of Iowa State College warns there is danger in the possibility of land values going too high in the near future, just as they have gone too low in the last few years. In 1920, at the peak of the land boom, the average price per acre of Iowa farm land was \$225, and in 1933 it was \$69, whereas in 1935 it has risen to approximately \$80.

The rise and fall of land values should be stabilized, says Murray, for when land values are rising the number of sales increases, and at periods when land value has fallen off the number of transactions decreased. He cites as an example Story County, where 516 bona fide land purchase transactions were recorded in 1920, as compared with only 28 in 1933.

"What is needed," he says, "is a reversal of the old cycle of buying at high prices and losing the farm in depression; and a policy of encouraging purchase of farms at low prices and payment of mortgages during good times."

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MIMEOGRAPHED REPORTS obtainable from the Bureau of Agricultural Economics include "Influences That Affect Costs and Returns from the Tobacco Enterprise on Virginia Fire-Cured Tobacco Farms"; "Revised Estimates of Potato Acreage, Yield Per Acre, and Production, 1866-1929"; "Farmers' and Farm Laborers' Strikes and Riots in the United States, 1932-1935, - a list of references"; "Abstracts and List of References of Published Reports Regarding the Uses, Oil Values, Grading Dockage, Production, and Marketing Flaxseed"; "The Problem of Character Standardization in American Raw Cotton", and "Selected References on the History of English Agriculture."

FARMERS' BULLETIN No. 1748, "Cotton Ginning", has been issued by the Bureau of Agricultural Engineering in cooperation with the Bureau of Agricultural Economics. It discusses methods and equipment for handling and processing seed cotton from the time of harvesting until the lint is baled, so as best to retain the desirable qualities of the fibers. With 32 illustrations it makes clear various points about ginning and its results that cotton ginners should know. This bulletin supercedes Farmers' Bulletin 1465, and the authors are C. A. Bennett and F. L. Gerdes.

VEGETABLE GROWING has increased more in recent years than has any other major agricultural industry, says Prof. H. C. Thompson of New York College of Agriculture.



STATE AND FEDERAL

# MARKETING ACTIVITIES

AND OTHER ECONOMIC WORK

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A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

September 4, 1935

Vol. 15, No. 36

## CALIFORNIA DEALERS ACT

### EXTENDED TO HAY, FEED AND GRAIN

On September 15 next, the California Produce Dealers Act will be extended to cover the hay, feed and grain industry, under authorization by the California Legislature.

Since 1927, the California Produce Dealers Act, now a part of the California Agricultural Code, has regulated the fresh fruit and vegetable industry, and dealers in livestock, wool, hides, poultry, eggs, honey and cut flowers. Dealers have been required to operate under license, and to answer strictly for failure to pay as agreed, and for other irregularities in carrying out contracts.

California Department of Agriculture reports that under the latest extension of the law, the limited consignment business in hay, field grains and dried beans may properly be handled only by those licensed as commission merchants. These operators must apply for a license as such, pay a yearly fee of \$25, and post a \$5,000 surety bond.

Dealers, it is stated, constitute the largest class, and include everyone who buys from producers by check, draft, or on credit. Retailers at an established place of business are exempt. A dealer license costs \$25 a year. Outside of retail stores, the only persons exempt as dealers are those who buy for cash, not checks.

Brokers are defined as those who negotiate the sale of commodities; they must be licensed at \$25 a year. Agents embrace employees or commissioned representatives of commission merchants, dealers or brokers; they, also, must be licensed, at \$1 a year.

The penalty for operating as a commission merchant, dealer, broker, or agent without a license is affixed by the Superior Court, and handled in the same way as is a felony. Punishment may be a fine of as much as \$1,000 or imprisonment for a year in the county jail, or both fine and imprisonment.

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## NEW JERSEY TO PROSECUTE

### PRODUCE DEALER LAW VIOLATORS

New Jersey Department of Agriculture has announced that unlicensed dealers who buy potatoes, fruits and vegetables on credit from New Jersey farmers will be promptly prosecuted for violation of the New Jersey produce dealers' licensing and bonding law. Only payments in currency are considered as cash.

Under the law, produce dealers who buy on credit must apply for a license from, and file a bond with, the state secretary of agriculture. Those who meet the requirements of the law are given small

license cards signed by the secretary. Farmers are being advised to insist that prospective buyers of the products show such a card for the current fiscal year. The New Jersey department has furnished each county agricultural agent in the state a list of licensed and bonded buyers.

Department inspectors are reported checking up on produce dealers, particularly buyers of potatoes; the State Police are cooperating in obtaining information for enforcement of the licensing law.

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#### NEW YORK PLANS "DRINK MORE MILK" DRIVE

A "drink more milk" drive is being planned by New York Department of Agriculture. The appeal will be directed chiefly to the 8,000,000 adults in New York State. Commissioner Ten Eyck, discussing the plans, says that to reach adults effectively, "we must make women understand that milk is not necessarily fattening\*\*\*and get after the men who are laboring under the delusion that milk is a sissy drink.\*\*\*We are going to do this through the newspapers, on the air, and in every other legitimate advertising medium that is practical and available."

Commissioner Ten Eyck says that "most women have a keen appreciation of the value of milk for their children, but almost none at all for themselves.\*\*\*Now that doctors and dieticians know and themselves prescribe milk in safe reducing diets, I do not believe it is going to be difficult to convince them that milk is not fattening. In fact, when it is a bit more generally known that the calcium content in milk is good for the complexion and that you get a beauty treatment in every glass, I am sure that all women and girls will join forces in the use and the consumption of milk."

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#### IOWA FINDS SHEEP AND WOOL OUTLOOK IMPROVED

Reduced supplies and a probable improved demand are among favorable factors dominating the present outlook for sheep, lambs and wool, according to Iowa Extension Service. These factors are of such significance, it is stated, that the currently high lamb prices may be expected to advance during the remainder of 1935. The indicated shipments of lambs this year are said to be the smallest since 1927 and nearly one-third less than record shipments in the Fall of 1931.

Wool prices also seem likely to be well maintained during the remainder of this year, it is stated; due largely to decreased supplies in the United States and foreign countries. Stocks of wool in all locations in the United States, July 1, are reported less than stocks a year ago on that date.

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ROBERT E. ATKINSON is now Director of Pennsylvania Bureau of Markets. George A. Stewart was formerly the director of this bureau.



MASSACHUSETTS FRESH EGGLAW TO GO INTO EFFECT SOON

A "Fresh Egg Law" will go into effect in Massachusetts on September 21, and its provisions enforced by Massachusetts Department of Agriculture. The law provides that all eggs offered for sale as "fresh eggs", "strictly fresh eggs", "nearby eggs", and "new laid eggs", must meet definite conditions. They must be clean and the shells sound; the air cells must be small; the whites must be firm; the yolks must be plain visibly, and there must be no visible germ development. The department is urging poultrymen to candle all eggs offered for sale, in order to be certain to comply with provisions of the law.

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CALIFORNIA TO PUT PROCESSORSLAW INTO EFFECT THIS MONTH

California canneries, wineries, manufacturers of other beverages of farm products source, dried fruit packers, commercial buyers of dried fruit, manufacturers of jellies, jams and preserves, and all others active in canning, drying, preserving or processing fruits or vegetables, or who deal in these commodities in dried, canned, preserved, or processed form, will come under State supervision, September 15, under statutes enacted this year by the California Legislature.

The purpose of the laws is to extend much of the protection of the Produce Dealers Act to farmers who until this year have had no State agency to which to report grievances, and no means of quick relief. Enactment of the laws was the result of "a growing wave of resentment against the pillage of shoe-string canneries, crooked wineries, insolently broken contracts, and cheating in dried fruit." After September 15, every processor, as the term is defined in the law, will be required to secure a license.

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NEW JERSEY AGRICULTURE EXPANDS;BIG "BACK TO LAND" MOVEMENT

New Jersey agriculture during the depression has shown a marked trend toward expansion, reports State Secretary of Agriculture William B. Duryea. Despite low prices for most New Jersey farm products, he says large numbers of people have been going back to the land. In 1930 there were 25,378 farms in the State; now there are 29,375. The area in farms has increased by about 150,000 acres.

Secretary Duryea says the agriculture of the State has taken a definite trend toward intensification. There has been a drift away from field crops such as wheat, and toward the production of more vegetable crops. New Jersey, he says, now more adequately merits its title: "The Garden State".

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THE TOMATO IS A FRUIT, not a vegetable, the Virginia Supreme Court of Appeals has decided. The question arose when a jurymen was excused from court duty to pick tomatoes under a statute permitting exemption to "any fruit grower who is engaged in harvesting his crops".

FEDERAL SEED ACT  
VIOLATORS ARE PUNISHED

Four cases involving violations of the Federal Seed Act were recently terminated in United States District courts for Tennessee and Kansas. A Tennessee firm was fined \$200 after having plead guilty to violation of the Act in the shipment of 10 bags of soybeans to Roanoke, Alabama, misbranded as to germination, and 8 bags of wheat to Talladega, Alabama, misbranded as to noxious weed seeds.

A Nebraska company shipped 15,000 pounds of Hegari seed to Stafford, Kansas, and 1900 pounds to Atchison, Kansas, and represented both lots as being Atlas Sorgo. The misbranding was detected by Kansas State Board of Agriculture and the seed was seized by order of the United States District Court upon recommendation of the United States Department of Agriculture. The Court ordered the Stafford shipment turned over to a charitable institution; the Atchison shipment has been released to the consignee under bond providing for correct labeling as to variety.

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THE WORLD SUPPLY OF COTTON probably will not be materially different this season than last, when it was 39,300,000 bales, since the probable increase in production this year may be offset by the reduction in carry-over on August 1, says the Bureau of Agricultural Economics.

THE FARM PRICE INDEX rose 4 points, from 102-106, during the month ended August 15, due largely to sharp price gains in hogs and wheat. Thirteen other farm commodities increased in price. Feed crop prices declined, and cotton prices were lower. The index of prices paid by farmers for commodities bought stood at 126 in mid-August, the same as in mid-July, and 1 point higher than in mid-August a year ago.

ADMINISTRATION OF THE POTATO CONTROL ACT will be under the immediate supervision of John B. Hutson, director of the Division of Tobacco, Sugar, Rice, and Peanuts, AAA. Mr. Hutson says proposals to remove surpluses and to adjust acreage through contracts and all other suggestions will be carefully considered before the program to carry out the Act is formed.

COMMERCIAL PRODUCING COUNTRIES have the fewest hogs in nearly a decade, says the Bureau of Agricultural Economics. There were 8 per cent fewer hogs in Germany, Denmark, Scotland, and Irish Free State, combined on June 1 compared with that date last year. The United States had 30 percent fewer hogs over six months of age.

WORLD WHEAT SUPPLIES outside Russia and China this season are likely to be about 240,000,000 bushels less than in 1934-35, says the Bureau of Agricultural Economics. World production, excluding Russia and China, is estimated at about 3,520,000,000 bushels or about 60,000,000 bushels more than last year; but world carry-over at the beginning of this crop year was about 800,000,000 bushels, or 300,000,000 bushels less than a year ago.



## MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

September 11, 1935

Vol. 15, No. 37

NEW YORK POULTRY MARKETMAY COME UNDER GOVERNMENT CONTROL

Following a meeting of poultry dealers, handlers, and others interested in the marketing of live poultry in the metropolitan area of New York City, at Washington, D. C., on September 12, Secretary Wallace will determine whether that area shall be designated as a market subject to Federal supervision under the provisions of the Packers and Stockyards Act, as amended August 14, 1935.

The act provides that the Secretary of Agriculture may designate cities in which licensing is necessary to protect producers against unreasonably low prices and consumers against unreasonably high prices. After a city is designated, live poultry dealers and handlers shall be required to obtain licenses from the Secretary of Agriculture. Federal supervision, of which the licensing feature is a part, applies to all the principal features of marketing, such as receiving, feeding, watering, weighing, trucking, and other commercial handling.

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PENNSYLVANIA INSPECTORSSTART GRADING SERVICE

The first grading of sweet corn under Federal standards by a State licensed inspector in Pennsylvania was started at a Columbia County cannery in early August, reports Pennsylvania Bureau of Markets. Experimental work along this line had previously been done in Pennsylvania but the actual purchasing of corn on the basis of United States Standards had never been attempted until this year. Quality is determined by the inspector in accordance with the official grades and the grower is paid for the grade represented.

The Pennsylvania bureau says that grading experience with other canning crops has always shown increased returns to growers through the delivery of improved quality of raw stock.

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NEW JERSEY REPORTS DECREASEIN CHICKEN STEALING

A 60 percent decrease in the number of arrests made for chicken stealing in the four years since tattooing of flocks was originated in New Jersey shows that poultry stealing is on the wane in this State, says Lieut. W. J. Coughlin of the New Jersey State Police. There were 204 arrests on poultry larceny charges in 1932; in 1934 there were 85 arrests, and 68 up to September 6 this year. About 225,000 New Jersey chickens, turkeys, other fowl, hogs and dogs are registered in New Jersey by 265 farmers.

OHIO SAYS NOW IS GOOD TIME  
TO BUY A FARM

It may be - probably it is - a good time to buy a farm, says H. R. Moore, Ohio State University economist, adding "it is evident that land prices completed a long time price cycle in 1933." Moore believes he is justified in saying that, from the signs of the times, now is the best time in a generation to invest in a farm as a place to live and earn a living. The frequency of farm foreclosures is tending to keep farm prices down, he says, but despite many sales of distressed properties, land values have climbed about 15 to 20 percent since March 1933. Factors that encourage land purchases, according to Moore, are lowered tax rates, reduced interest rates and better terms on farm loans, and the general rise in agricultural prices.

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CALIFORNIA HAS HONEY  
STANDARDIZATION LAW

A honey standardization law will be put into effect in California, September 15, by California Department of Agriculture. The law sets up restrictions against deceptive packs, displays, blending, labeling, and other devices which might be and have been used by unscrupulous persons and firms to deceive or defraud consumers. Under the new law the following containers are recognized as standard for honey:

Five gallon tins of sixty pounds, ten pound tin cans or pails, five pound tins, two and one-half pound tins, and the following glass jars; three pound, two pound, one and one-half pound, sixteen ounce, twelve ounce, eight ounce, and five ounce. Comb honey must meet definite standard, and be classified, graded, packed and marked according to the grade, color classification, packing and marketing requirements specified by the Pure Food and Drug Administration of the U. S. Department of Agriculture.

The law states that "no honey shall be marked or labeled with the name California unless the honey so marked is actually produced entirely in California." The law requires that when honeys are blended the label must state that the contents are blended and shall not be marked as being from a particular floral source. Extracted honey is to be classified in three grades; California Fancy, California No. 1, and California No. 2.

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ADEQUATE CREDIT AVAILABLE  
TO COMMERCIAL POULTRYMEN

Opportunities for sound, low-cost financing are available to commercial poultrymen, says S. R. Levering of the Farm Credit Administration. Of particular interest to poultrymen, he says, is the recent farm credit legislation authorizing the Land Bank Commissioner to make farm purchases loans and also to make loans to part-time farmers on the basis of prudent investment value as well as strictly agricultural value. This particularly affects suburban poultry farms, where a large part of the value is in buildings, and the poultryman may have some other source of income in addition to his poultry enterprise.



SECRETARY INTERPRETES TRADING  
PHRASE UNDER PERISHABLES ACT

The Secretary of Agriculture in a recent decision under the Perishable Agricultural Commodities Act has interpreted the term "f.o.b. subject to inspection and acceptance on arrival" frequently used in connection with sales of fresh fruit and vegetables.

Some persons have contended that no limitation or qualification can be effectively added to an f.o.b. contract of sale regardless of what the wording of the contract as a whole may be. The Secretary held that a contract of sale is not fundamentally different from any other contract and that the intent of the parties must control as far as can be ascertained from the agreement as a whole. He pointed that the accepted meaning of a contract providing for shipment on an f.o.b. basis may be modified by the parties so that the title of the subject matter passes only conditionally at shipping point and the buyer in such cases may retain a right to reject the shipment if it does not conform to contract specifications on arrival at destination.

The statement "subject to inspection and acceptance on arrival" certainly cannot be completely ignored, said the Secretary, since it is as much a part of the contract between the parties as the term f.o.b. itself. Where the f.o.b. specification is definitely qualified, the contract might be described as f.o.b. as to price but delivered as to quality. In order that the contract may clearly distinguish between the place where the price is to apply and the place where the quality specifications apply the use of wording such as the following is suggested: "Maine Cobblers, 150 lb. sacks, U.S. No. 1 delivered, 60¢ cwt. f.o.b.". The Secretary, in his decision, pointed out however, a specification providing for acceptance on arrival does not permit the buyer to reject on purely arbitrary grounds, but means that the buyer has the right to reject if the goods are found upon inspection on arrival not to meet the specifications of the contract of sale at destination.

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CALIFORNIA PUTTING EGG  
STANDARDS INTO EFFECT

On September 15 there will go into effect in California four standards of quality for eggs: Specials, Extras, Standards, and Trades. The weight specifications are: Large, averaging 23½ ounces per dozen; Medium, averaging 20 ounces per dozen; Small, averaging 16 ounces per dozen, and Peewee, including eggs weighing less than 1¼ ounces each.

When eggs are placarded or labeled with the term "eggs", "ranch eggs" or "farm eggs" or any terms similar to these they do not need to be marked with the specific quality and size specifications if the eggs are "Large" in size and "Extras" in quality. Eggs of a lower quality or size, offered for sale, must be definitely labeled or placarded as to the quality and size with which they actually comply. Dirty eggs must be correctly labeled as dirty, and in addition show the quality and weight. Eggs which have broken or checked shells can be sold only if they are correctly marked as such and the correct weight is given. All eggs sold to a retailer or manufacturer, unless coming directly from the producer, must be accompanied by an invoice or candling certificate showing the exact quality and weight specifications.

IOWA ISSUES NEW GROUP  
OF POPULAR BULLETINS

Bulletins recently issued by Iowa Agricultural Experiment Station and which may be of interest to State marketing officials and agricultural college economists, include "Economic Plans for Agriculture"; "Who Pays Hog Processing Tax?"; "Where Iowa Sells Corn"; "Domestic Market for Lard"; "Lard Market at Home and Abroad"; Elevator Membership Problems"; "Delinquent Land Taxes"; "Valuing Land by Production"; "Where Iowa Sells Oats"; and "Farm Debt Situation".

These bulletins are obtainable from Experiment Station Director R. E. Buchanan, Ames, Iowa.

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COTTON GROWERS SHOULD GET  
PREMIUMS FOR HIGH GRADES, SAYS COBB

A statement urging cotton producers to insist that they receive from buyers premiums on cotton which is above average in grade and staple length was issued recently by C. A. Cobb, Director of the Division of Cotton, AAA.

"Under the present loan and price adjustment plan", Mr. Cobb said, "cotton growers are in a position to bargain, and have an opportunity to get the benefit of the premiums which are due them on the better grades and longer staple lengths of cotton. Such producers will lose if they sell this cotton for the price paid for middling 7/8 inch cotton in the belief the price adjustment payment will take care of them."

Mr. Cobb pointed out that under the present price adjustment plan the growers will receive the difference between the average price at the ten spot markets on the day they sell their cotton and 12 cents per pound on lint on their actual production not in excess of their Bankhead allotment.

For example, the average price for White Middling, 7/8 inch cotton in the ten spot markets on August 30 was 10.53 cents per pound. If a producer sold on that day, the government will pay him a difference of 1.47 cents per pound, "even of he sold premium cotton on August 30 which brought him 12 cents a pound or more".

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AGRICULTURAL ADJUSTMENT ADMINISTRATION NEWS

The national allotment of potatoes prescribed under the Potato Control Act, and the allotment to the potato growing States will be announced by the AAA, prior to November 1. Meanwhile, proposed allotments will be discussed at meetings with producers.

At a hearing at Washington on September 3, on a proposed adjustment program for Burley, Maryland, Fire-cured and Dark air-cured tobacco, representatives of producers of these types of tobacco voiced unanimous approval of continuation of an adjustment program.

More than \$30,800,000 has been distributed to cooperating corn-hog producers as first payments under their 1935 adjustment contracts.

The first billion dollar cotton crop since 1929 should result from President Roosevelt's action in approving the new loan and payment plan for 1935, according to Chester C. Davis, AAA Administrator.



STATE AND FEDERAL  
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AND OTHER ECONOMIC WORK

RECEIVED  
SEP 18 1935  
U. S. Department of Agriculture

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September 18, 1935

Vol. 15, No. 38

POULTRYMEN WANT NEW YORK  
POULTRY MARKET SUPERVISED

Nearly 100 poultry producers, dealers, and others interested asked the Secretary of Agriculture at a hearing in Washington, September 12, to designate the metropolitan area of New York City as coming within the terms of the recent amendment of the Packers and Stockyards Act. Such designation, if made by the Secretary, will authorize the licensing of live-poultry dealers and otherwise provide Federal supervision over marketing operations in that area.

Spokesmen for producers, dealers, and related interests offered their cooperation in the application of the system of Federal licensing and other features provided by the new legislation. The view was expressed that the new provision would help protect producers against unreasonably low prices and consumers against unreasonably high prices.

The Secretary and other Department officials are considering various suggestions made with regard to details of procedure; a decision based on the results of the hearing will be announced at a later date.

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PENNSYLVANIA EGG AUCTIONS  
MAKING RAPID GROWTH

The auction method of selling eggs and poultry has apparently become a permanent part of the farm marketing system in Pennsylvania, according to J. Hansell French, Pennsylvania Secretary of Agriculture.

Eggs and poultry valued at more than a million dollars were sold at auction in Pennsylvania during the first six months of this year. The auctions, all organized within the last five years, are located at Doylestown, Center Point, New Holland, Butler, Coatsville, Harleysville, and Bethlehem. Total sales during the first half of this year exceeded the total for all of 1933, and almost equalled sales in 1934.

The eggs are assembled from a large number of producers and classified according to Federal grades. Secretary French says it is believed that the operation of the auctions has standardized egg production in sections of the State where the auctions are located, and stabilized egg prices at a level "more favorable to the local producers than at any time since the development of the commercial poultry industry in the far west."

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A CHECK LIST of standards for farm products, formulated by the Bureau of Agricultural Economics, may be obtained from that bureau at Washington, D. C.

U. S. Dept. of Agriculture Library,  
Attn., Miss Trolinger,  
4 K Washington, D. C.

LOUISIANA SELLING SEED  
POTATOES IN TROPICS

Louisiana Experiment Station reports that farmers in that State saved 100,000 pounds of certified Triumph Irish potato seed this past season for shipments to Hawaii, Uruguay, Panama, Cuba and other tropical countries. Growers in Honolulu, it is stated, have already ordered 50,000 pounds of seed; the remainder of the seed has been placed in cold storage in New Orleans, awaiting shipment to other countries.

The Experiment Station says "the new industry for Louisiana has opened up an avenue for the sale of the smaller sized potatoes which heretofore have had no market and only served to bear down the price of marketable potatoes." The net price being received by farmers is \$1.25 per 100 pounds.

The Station conducted experiments for three years in cooperation with growers in Hawaii, Cuba, Panama, Ecuador, and several other tropical countries, and "proved the superiority of the Louisiana potato over those brought in from Canada."

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NORTH DAKOTA TO HOLD  
MEETINGS ON TURKEY GRADING

North Dakota Extension Service has scheduled a series of sixteen county meetings during October to assist northwestern North Dakota turkey producers with the problem of finishing and preparing birds to command top prices. Particular attention will be given to preparing the birds to meet the requirements of the Federal grading system. This will include feeding, finishing, killing, dressing and packing. In early November a Federal-State turkey grading school is to be held at Minot where prospective graders will be trained.

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OAT GROWERS WARNED  
AGAINST SEED FRAUDS

Seed buyers are being warned by the United States Department of Agriculture that the so-called "Mammoth Cluster" oat is again being offered for sale for fall seeding in the middle-west. Investigations in the fall of 1934 revealed that oats sold under the name "Mammoth Cluster" and "New Victory" were in reality old established northern varieties and not something new. Plantings made in the fall of 1934, in Kansas, Oklahoma, and Arkansas, were winter killed.

Highly advertised northern spring oats are not suitable, it is stated, even for spring seeding, in the southern half of the United States. Farmers who sow these heavy, excellent appearing, northern oats this fall are almost certain to lose their crop by winter killing. They are advised to consult their county agent relative to variety and source before buying seed for fall sowing.

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WRITE THE FARM CREDIT ADMINISTRATION for its Circular No. 5 on "Agricultural Financing through the Farm Credit Administration". It tells how to get loans.



GOVERNMENT GRADES  
FOR DRESSED TURKEYS

In the tentative United States standards and grades for dressed turkeys, the turkeys are classified according to age and sex into four classes: Young Hens, Young Toms, Old Hens, and Old Toms. They are classified also according to method of plucking, dressing, finishing chilling, and packing. There are four U.S. grades: U.S. Special or U.S. Grade AA in which may be included commercially perfect specimens of any class; U.S. Prime or U.S. Grade A, which is the second highest grade; U.S. Choice or U.S. Grade B, the third highest grade, and U.S. Commercial or U.S. Grade C, in which are included edible birds below the grade of U.S. Choice or U.S. Grade B, except birds specifically excluded by the detailed specifications for U.S. Commercial or U.S. Grade C. Each bird must be graded as of one of the four U.S. grades before it can be labeled with a U.S. grade tag.

A detailed description of the grades may be obtained from the Bureau of Agricultural Economics, Washington, D.C.

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DEALERS WANT LOUISIANA  
VEGETABLES GRADED

Louisiana farmers are being told by Louisiana Extension Service that dealers handling Louisiana vegetables in the northern markets demand that "our growers do a better job of bunching and grading their vegetables. Consumers are demanding the elimination of unattractive and poor quality vegetables from the bunch. Products should be of uniform size and quality say the buyers. Producers must eliminate the careless methods of the past and put out the kind of products that consumers want; otherwise competing sections will get the business."

The Service says a recent study of the situation showed that lack of marketing success in many instances has been due to improper preparation of the crop for market.

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FIVE FINED IN SHORT WEIGHT  
CASES, REPORTS GOVERNMENT

Short weight is a common violation of the Food & Drug Act, say Department of Agriculture officials. In August, five interstate shippers of foods and stock feed were fined a total of more than \$500 for this type of offense. The cases involved canned black raspberries, olive oil, bottled cherries, print butter, and stock feed. All defendants plead guilty.

The department reports that in July, 2,500 gallons of unclean cream were seized, and 25,000 pounds of butter which showed unmistakable evidences of filth. Forty-five hundred pounds of butter below the legal butterfat requirement were confiscated.

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THE SIXTY-EIGHTH CALIFORNIA FRUIT GROWERS AND FARMERS CONVENTION will be held at Sacramento, December 4, 5, and 6. New Federal and State legislation regarding marketing will be featured in the discussions.

AGRICULTURAL ADJUSTMENT ADMINISTRATION NEWS

The AAA recently terminated marketing agreements and licensing covering the California rice indstry, fresh Tokay grapes grown in California, and packers of California raisins.

The 1935 production adjustment program for farmers who grow sugarcane for sirup on a commercial basis was recently approved by Secretary Wallace, and contracts to be offered to farmers forwarded to State Directors of Extension for distribution among county agents. Sugarcane for sirup is grown mainly in Louisiana, Georgia, Alabama, Mississippi, Florida, Arkansas, Texas, and South Carolina but contracts will be available to producers in all states.

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VEGETABLES CHANGEDIEARY OF PEOPLE

Reports of vegetable sales over a period of years shows how greatly the food habits of the American people are changing, says Ohio Extension Service. According to carlot shipping records, we eat more lettuce now than we eat of any other vegetable except potatoes. In the ten years ending with 1931, the shipments of lettuce rose from 12,000 carlots to more than 55,000. Fresh peas, once available for only a few months, may now be had the year round.

Tomatoes, it is stated, were once grown for decorative purposes and advised against for food; carrots were said to be fit only for farm animals and rabbits. Godey's Book and Ladies' Book, two of the earlier woman's magazines, list under vegetables dry beans, rhubarb and tapioca. Contrast this with the many vegetables now advertised in the magazines.

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THE NEW JERSEY CHICK ASSOCIATION will hold its second annual meeting at Rutgers University, October 9 and 10. The theme will be the production and sale of high quality chicks. Chick sexing will be demonstrated.

THE FEDERAL LAND BANKS sold 4,133 farms from January 1 to August 1, this year, compared with 2,093 in the corresponding period in 1934. The heaviest demand for farms was in the eastern Cotton Belt, the northwest, and northern Pacific States.

ABOUT 55 PERCENT OF THE FARM PROPERTY covered by fire insurance is protected by mutual companies owned and controlled by farmers, according to V. N. Valgren of the Farm Credit Administration. The business of these cooperatives has more than doubled during the past twenty years to more than \$11,000,000,000. There are about 1,900 farmer-owned mutual fire insurance companies, more than half of which have been in continuous operation for over fifty years.

RECENT MIMEOGRAPHS by the Bureau of Agricultural Economics include "Cost of Production of Fresh Beans", "Rural Zoning", and "Revised Estimates of Tobacco Acreage, Yield Per Acre and Production, 1866-1929."

THE 1935 CORN CROP in Hungary, Yugoslavia, Rumania and Bulgaria is unofficially estimated at about 413,000,000 bushels, a reduction of more than 95,000,000 bushels from the large crop harvested last year.



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September 25, 1935

Vol. 15, No. 39

MICHIGAN PRODUCE WILL  
CARRY STATE BRANDS

Well-graded Michigan produce will carry a State brand, under a program developed by George S. Barnard, Director, Bureau of Foods and Standards, Michigan Department of Agriculture.

"The plan is entirely voluntary," says Commissioner of Agriculture James F. Thomson. "The bonded label plan is not a legislative act, but is brought about through rules promulgated by the Commissioner of Agriculture as authorized in Act No. 91, Public Acts of 1915. This plan is entirely different from any now in use. Michigan is the pioneer in such an effort."

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IOWA WARNS OF DANGERS  
IN CATTLE SITUATION

Iowa farmers are being warned by Iowa Extension Service that the cattle situation makes it dangerous for those who are now buying feeders to feed out for the January to June market. Prices of replacement cattle are now advancing rapidly, it is stated, and the big livestock markets are reporting greatly increased demand for stockers and feeders.

"Farmers, many of them 'in and outers' in the cattle feeding business, are so anxious," says the Service, "to get stockers and feeders that they are bidding up on many kinds that would ordinarily go into slaughter channels. This rush to get cattle into the feed-lot is easily understood; the supply of hogs is simply too small to utilize all the feed that is going to be on hand after the harvesting of the corn crop. Many are feeding this year not only because of the surplus of corn in relation to hogs but also because of the memory of high cattle feeding profits last year.

"But it's a different thing," the Service continues, "to buy feeders at \$3.95 a hundred and make money on a rising cattle market than to buy feeders at \$8 and make money. The supply of fed cattle for the winter and spring market is likely to be unusually large, and good to choice cattle prices usually decline from January to June."

It is suggested as "a far safer policy" to get calves, light yearlings or other cattle that could be carried over until next summer or fall, because cattle roughed through the winter on cheap feeds do not carry as much risk as those on corn that have to be sold at certain times regardless of price.

The level of the corn loan to be made by the government will have much to do with the extent of cattle feeding this winter, the Service believes. The beef demand outlook is good, it is stated.

### FEDERAL GRAIN SUPERVISION OBJECTIVES DESCRIBED

Principal objectives in Federal grain supervision were described by Edward C. Parker of the Bureau of Agricultural Economics, addressing the Grain and Feed Dealers' National Association, at St. Louis, September 20.

"These objectives," he said, "are to establish and maintain uniform grain grades and inspection throughout the United States, to coordinate all grain inspection agencies in the country in a national public service independent of local bias or influence, and to reduce to a minimum the hazards in grain commerce that are incident to the sampling and grading of grain."

Twenty years of experience in administering the Grain Standards Act, said Parker, has convinced the bureau that grain standards must be formulated "to give practical consideration to the quality of grain as it is produced and not as it might be produced"; that they must differentiate and designate grain of both premium quality and very poor quality from the bulk-run of grain, and that they must designate quality in reasonable conformity with users' requirements and market practices.

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### NEW HAMPSHIRE AUCTIONS REDUCE EGG HANDLING COSTS

Handling costs at the New Hampshire Egg Auction have been reduced 10 percent, from 50 cents to 45 cents per case, according to New Hampshire Bureau of Markets. Also, poultrymen producing less than a case of eggs a week may now bring their eggs to the auction and receive cash at once at the rate of 2 cents per dozen below the auction prices for that day. No membership fee is charged these shippers.

The New Hampshire Egg Auction has been in operation for more than a year. More than 27,000 cases of eggs have been sold for 350 poultrymen to 215 individual buyers. As business increases, further reduction in handling charges is planned.

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### INDIANA STUDIES A DAIRY-HOG FARM

"How One Successful Central Indiana Dairy-Hog Farm is Operated," is the title of Stencil Bulletin No. 9 recently issued by Indiana Experiment Station. J. C. Bottum, the author, says that "if inventory differences in value of crops and livestock on hand on this farm January 1, 1929 and December 31, 1934 are included, for the sake of simplicity, with the average cash receipts for the (six year) period, the cash receipts averaged \$2,601 per year, and cash operating expenses \$896. This left an average net cash income of \$1,705 per year. Building, fence, and machinery depreciation averaged \$310 per year. This left an annual farm income of \$1,395. Deducting \$615 for five percent interest on the investment in machinery, livestock, feed, and real estate and \$49 for unpaid family labor, this farm earned 6.6 percent on the average investment of \$12,309."



NEW YORK ASSESSES FINES  
FOR MILK PRICE CUTTING

Thirty-five New York City and Brooklyn storekeepers paid penalties from August 15 to September 7 for selling milk for less than the legally established prices, reports New York Department of Agriculture. The largest penalty since June 1 was \$200, three other violators paid \$100 each, one paid \$50, and all other violators paid \$25 each.

Commissioner of Agriculture Ten Eyck says "the continued drive against chiseling is to protect the farmer against losses because experience has shown that when milk is sold for less than the established prices the loss is almost certain to be deducted from the farmer's milk check."

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FARM INCOME TOPS FOUR  
BILLIONS IN EIGHT MONTHS

August additions to farm income raised the total to \$4,020,000,000 for the first eight months of 1935, compared with \$3,754,000,000 in the corresponding period of 1934, according to the Bureau of Agricultural Economics.

Of the total for this year, \$3,670,000,000 was from marketings of crops and livestock, and \$350,000,000 from government rental and benefit payments. Corresponding figures for 1934 were \$3,504,000,000 from marketings, and \$250,000,000 from rental and benefit payments.

For August, 1935, income from marketings was \$549,000,000 compared with \$451,000,000 in July, and with \$536,000,000 in August, 1934. Government payments this August totaled \$44,000,000 compared with \$20,000,000 in July, and \$72,000,000 in August last year.

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GOVERNMENT BUYING OF  
DAIRY PRODUCTS IS LARGE

A total of 127,054,076 pounds of butter, cheese, dry skim milk and evaporated milk, valued at \$20,350,131.60, had been bought and delivered for relief distribution up to September 12 in the Government's dairy products purchasing program which was inaugurated by the AAA in August 1933. In addition to products already delivered, a total of 8,258,414 pounds of butter and dry skim milk with an estimated value of \$1,189,282.45, has been contracted for to be delivered for relief distribution.

Dairy products have been purchased largely with funds made available to the AAA in special appropriations by Congress and by advances from the Treasury under the terms of the Agricultural Adjustment Act. They are distributed by the Federal Surplus Relief Corporation.

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A STATE FARMERS' MARKET is being built at Atlanta, Georgia. Commissioner of Agriculture Tom Linder says "the building of a State Marketing System is an original undertaking in this country."

HOW COTTON PRICE ADJUSTMENT  
WILL BE FINANCED

The AAA announced recently that payments to cotton producers under the 1935 cotton price adjustment plan would be made from funds made available by section 32 of the Act of August 24, 1935 amending the Agricultural Adjustment Act.

Thirty percent of the customs receipts for each fiscal year are segregated by this section and maintained in a separate fund which may be used to encourage the exportation and marketing of agricultural commodities.

The cotton price adjustment plan is intended, insofar as is possible, to insure producers of the 1935 cotton crop a return of 12 cents per pound basis 7/8 inch middling, on their cotton production in 1935 within the limits of their Bankhead allotments. Toward this end, the plan proposes the payment to individual producers of the difference between 12 cents per pound and the average price of 7/8 inch middling cotton at the 10 designated spot markets on the date of sale. Payments will be made on actual production up to the amount of each producer's Bankhead Act allotment but in NO case will the payments exceed two cents per pound.

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AGRICULTURAL LOANS by commercial banks totaled \$1,306,455,000 on December 31, 1934, according to the Bureau of Agricultural Economics. Of this amount, loans secured by farm real estate totaled \$498,842,000; unsecured loans and loans secured by personal property, \$807,613,000.

MASTIN G. WHITE of Tyler, Texas, has been appointed as Solicitor of the Department of Agriculture, to succeed Seth Thomas, who has resigned to resume his law practice at Fort Dodge, Iowa. All legal work of the AAA also will be under the general direction of Mr. White. Mr. White has been in the Anti-Trust Division, Department of Justice.

A PUBLIC HEARING on the potato program will be held by the AAA at Washington, October 3. Among questions to be considered will be whether establishment of a national allotment with or without benefit payments to producers would carry out the purposes of the Potato Act. The possibility of the use of marketing agreements for potatoes will be considered.

AN INCREASE in poultry and egg production next season is in prospect, says the Bureau of Agricultural Economics, on the basis of more plentiful feed and "more satisfactory" poultry prices now as compared with a year ago. Total egg production on September 1 was about 4.4 percent more than on that date last year, but about 12 percent less than the September five-year average.

SOME SEASONAL INCREASE in supplies of hogs for slaughter is in prospect the next few months, says the Bureau of Agricultural Economics. A "considerable increase" in the 1935 fall pig crop and in the 1936 spring pig crop is also probable, says the bureau.



# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

October 2, 1935

Vol. 15, No. 40

### CALIFORNIA STARTS

#### FARM NEWS SERVICE

A "spot news" service for California farmers has been started by California Extension Service. It will report currently on commodity prices, production trends, storage, carryover, sales and shipments. It is designed to supplement the agricultural outlook, published annually. The reports will be distributed among farm advisors, farm associations, marketing organizations, financial editors, and others interested.

The first report, by Prof. E. C. Voorhies, details the latest developments on the egg and poultry situation. It says that on January 1, 1936 there will probably be 3 to 5 percent more hens in the United States than at the beginning of 1935, but 3 to 5 percent less than in 1934. The report covers baby chick sales, egg shipments, egg prices, egg receipts, feed prices, storage holdings of eggs, egg imports and exports, poultry supplies, chicken prices and cold storage holdings of poultry. It gives a rounded picture of the situation.

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### CONNECTICUT PUTS

#### POTATO LAW INTO EFFECT

False, misleading or ambiguous terms sometimes used in the retail sale of potatoes to attract consumers' attention are outlawed in Connecticut. The potato marking law passed at the last session of the General Assembly was to go into effect on July 1, but the Commissioner of Agriculture held its enforcement in abeyance, until October 1, so that persons affected by it could become familiar with its provisions.

Connecticut potato growers and retailers have been told they should not confuse this law with the "much talked of Federal potato control plans". It is strictly a Connecticut law which applies to every one selling potatoes at retail. The law provides that no person, firm or corporation shall sell or offer for sale, at retail, potatoes in any package or container which is not plainly marked or labeled with the name of the official Connecticut or United States grade which represents a standard no higher than the actual grade of the potatoes, provided the term "unclassified" or "ungraded" may be substituted at the discretion of the retailer.

The penalty for violating any provision of the Act is a fifty dollar fine for the first offense and not more than \$200 for any subsequent offense. The Commissioner of Agriculture has ruled that a retail transaction will be construed as meaning any sale of potatoes, regardless of quantity which is delivered to the ultimate consumer. Farmers who sell from house to house are required to mark their containers just as though they were operating a retail store. Exemptions

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from the law include wholesale transactions where potatoes are sold for resale. To be exempt from marking certified seed potatoes, the stock must meet the grade or certification requirements as labeled and sold exclusively for seed purposes in Connecticut. In addition they must be sold in the original packages and bear the official seal of certification of the Department of Agriculture of the State where they were grown.

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#### LOUISIANA FINDS ADVERTISING "PAYS"

Writing from New Orleans, B. B. Jones of Louisiana extension Service says "the battle to secure a larger share of the consumer's food dollar becomes more intense as additional national advertising campaigns for food products are announced.

"Rice interests," he continues, "are now engaged in an advertising program which has proven very effective in securing an increased consumption of rice. Meat producers, packers of canned goods, flour millers, and other groups are likewise engaged in extolling the value of their products and urging consumers to use more of them.

"The consumer's dollar will go just so far," he observes, "and those groups which are not keeping the public informed about their products will suffer a decreased demand, while those groups which are selling the consumer on the value of their products will enjoy enlarged sales."

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#### IOWA FARMERS PREPARE TO PRODUCE MORE HOGS

Iowa farmers are enlarging their hog houses, building new farrowing pens and getting ready to grow more hogs, reports Iowa Extension Service.

"The danger in the situation," it is stated, "is that farmers will overdo this expansion proposition. We need more hogs in this country than we have right now, even with the foreign markets practically gone—but we may have considerably more than we need a year from now. One year is often enough to change from a small supply of hogs to a large supply. This year we are witnessing just such a rapid change in production."

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#### BUREAU EXPLAINS REVISED CITRUS FRUIT STANDARDS

Discussing revised citrus fruit standards, the Bureau of Agricultural Economics reports "the principal change in the revised standards is the addition of a third grade termed U. S. No. 3. The degree of damage allowed is covered by the term 'very serious damage' which is a grade term not previously used.

"The gap on discoloration between the U.S. No. 2 and the U.S. No. 2 Russet grades has been eliminated. The U.S. No. 2 grade now requires that not more than 40 percent of the fruit may have in excess of one-third of the surface in the aggregate affected by dis-



coloration. A 10 percent tolerance is allowed for fruit failing to meet requirements for discoloration.

"The U. S. No. 2 Russet Grade now requires that more than 50 percent of the fruit shall have in excess of one-third of the surface in the aggregate affected with discoloration. 'Unclassified' has been deleted from the standards and a cull is defined as a fruit which does not meet the requirements of U. S. No. 3."

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NEW YORK WHEAT EIGHTEEN  
CENTS UNDER CHICAGO

The price paid producers in New York State for wheat in August was 18 cents a bushel less than the price in Chicago, "the greatest spread of any year for ten years", reports Dr. F. A. Harper, New York College of Agriculture. The comparison is offered between New York's soft white and soft red wheats with No. 2 Red Winter wheat at Chicago.

The decline in the price of wheat on New York farms from August 1934 to August 1935 was about double the decline in price of No. 2 red wheat at Chicago, Dr. Harper says. The decline was, however, about the same for 100 pounds as the decline in the farm price of oats in New York and the December future prices of corn at Chicago, which is influenced by the prospective 1935 corn crop.

"This shows," says Dr. Harper, "how the price of eastern soft wheat sometimes tends to follow price changes of other feed grains rather than hard wheat."

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OHIO ISSUES PAMPHLET  
ON POTATO INDUSTRY

To aid in discussion of the Potato Control Act, the Ohio Extension Service has published a six-page pamphlet describing the status of the potato growing industry in Ohio and in the United States. It is entitled "Facts About the Potato Situation". Write Ohio Extension Service for copies.

Ohio people, it is stated, eat 19,000,000 bushels of potatoes each year, whereas Ohio farmers produce only 10,000,000 bushels.

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ILLINOIS HAS TEN YEARS  
OF RECORDS FOR FARMS

Illinois Extension Service has available for study the financial records kept by 63 farmers during the past ten years. Fifty-seven of these farmers occupied the same farms during the ten years. Ten of the farms in the three years 1925-1927 each had an average annual income of \$1,195 less than the average for the entire group of 57 farms. During 1932, 1933 and 1934, each of these ten farms earned an average annual net income of \$390 more than the average for the entire group.

These farmers, it is stated, improved their position by using their records and accounts to find out how well they were running their farms as compared with other cooperating farmers.

COMMERCIAL POTATO PRODUCTION  
NOT INCREASED BY AAA PROGRAMS

The Agricultural Adjustment Administration has issued the results of a potato acreage and production study showing that the production adjustment programs have had virtually no effect upon the commercial production of potatoes throughout the country.

Conclusions were that potato acreage and production had shown no increase during 1934 and 1935 that could be attributed to adjustment programs; that acreage increases in certain states during 1934 and 1935 were for the most part outside regions where land was taken out of production by adjustment program, and that in sections in only two states was it established that land taken out of production by adjustment programs had contributed to an increase in potato acreage.

The result proves conclusively, says the AAA, that the adjustment programs have not been responsible for the surplus of potatoes, and resultant low prices, which have prevailed for the past two years. The study is being continued with regard to fruits and other vegetables.

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THIS YEAR'S WORLD WHEAT SUPPLY will be about 330,000,000 bushels less than in 1934-35, according to the Bureau of Agricultural Economics. Production is estimated at about 3,430,000,000 bushels and the world carryover outside of Russia at 800,000,000 bushels, or a total of about 4,230,000,000 bushels. Production last year was 3,459,000,000 bushels and carryover 1,100,000,000 bushels, or a total of about 4,559,000,000.

DR. T. B. MANNY has resigned as acting head of the Division of Farm Population and Rural Life in the Bureau of Agricultural Economics to become chief of the Department of Sociology and Public Welfare at the University of Maryland.

FARMERS IN 34 STATES had larger cash receipts from sales of principal farm products plus rental and benefit payments in the first seven months of this year than in the same period of 1934. States showing decreases are Maine, North Dakota, Nebraska, North Carolina, South Carolina, Florida, Alabama, Arkansas, Louisiana, Texas, Montana, Wyoming, New Mexico, and Arizona.

HEBREW HOLIDAYS THIS MONTH are Day of Atonement, Oct. 7; Feast of Tabernacles, Oct. 12 and 13, and Rejoicing of The Law, October 19 and 20.

A SLIGHT REDUCTION IN FLOUR YIELD from this year's rust damaged spring wheat, but practically no loss in baking quality, is reported by the Bureau of Agricultural Economics on the basis of milling and baking tests. The bureau tested 23 representative samples from the 1935 crop of hard red spring wheat.

BIDS ON FIFTEEN MILLION POUNDS OF DAIRY PRODUCTS are being requested by the AAA, the products to be bought being intended for relief distribution by the Federal Surplus Relief Corporation. Five million pounds of butter is wanted, and 10,000,000 pounds of dry skim milk.



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# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

★ OCT 10 1935 ★  
U. S. Department of AgricultureA REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

October 9, 1935

Vol. 15, No. 41

### CALIFORNIA SETS MINIMUM

#### MILK PRICE AT SAN FRANCISCO

The minimum price to be paid market milk producers supplying the San Francisco market has been fixed at 62 cents per pound of milk fat by the local control board with the approval of California Director of Agriculture A. A. Brock, on a showing by the control board and dairy-men that 62 cents per pound was justified in view of increased production factors, such as farm labor and dairy feed.

The procedure which resulted in the setting of the price for the San Francisco milk shed, started with the presentation of a petition to the Director signed by more than 65 percent of the milk producers supplying the San Francisco market covering more than 65 percent of the volume. A local milk control board was created, and a stabilization and milk marketing plan formulated, which included the 62-cent price as well as certain fair trade practices provided by law.

Each milk distributor operating in the San Francisco market will be licensed to operate under the terms of this plan. There are 18 distributors. Violation of the marketing provisions by any licensee invites prosecution. Two hundred and thirty-one producers in fourteen countries supply San Francisco with milk.

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### PRESENTS NEW MILK PLAN

#### GOVERNORS' COMMITTEE

A proposed "order" to govern interstate shipments of milk into the New York-New Jersey Metropolitan Marketing Area has been issued by Peter G. Ten Eyck, Chairman, "Seven-State Governors' Committee", in New York. The order is designed to provide substantially uniform payments to dairymen throughout the milk shed. It was prepared jointly by the Governors' Committee and the Agricultural Adjustment Administration.

The proposed order provides for: (1) classifying milk into three classes and the fixing of minimum prices to be paid by handlers to producers on interstate milk for Classes 1 and 2, with a formula for computing prices for Class 3; (2) the appointment of a Market Agent, to be selected by the Secretary of Agriculture, to administer the provisions of the order; and makes other provisions that are incidental and necessary to accomplish the purpose of the plan.

The proposed order, it is stated, is designed to strengthen and coordinate the work of the several State Control Boards, and "does not diminish any of the State's rights." The preliminary draft contains no fixed schedule of prices to be paid to dairymen for interstate milk, as these prices are to be established after thorough discussion at public hearings. The order is not in final form, but "is submitted for the

consideration of dairymen and others interested." It provides for the continuation of the individual dealer payment plan now in use in the market area. Prices announced by handlers under the dealer payment plan would be subject to the usual butterfat differentials and Grade A premiums, as well as freight differentials.

Printed copies of the proposed order may be obtained from Governors' Committee on Interstate Milk Relations, New York Department of Agriculture and Markets, Albany, New York.

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#### GOVERNMENT GRADED HONEY

##### CAN BE BOUGHT IN SOME STATES

A brief survey of the ability of housewives to find "U.S. No. 1" stamped on honey containers in retail stores shows: In Ohio, Michigan, Nevada, Washington, Oregon and California, at least, many individual sections of comb, especially those wrapped in cellophane, are stamped U.S. No. 1. In Ohio, according to the State Apiarist, approximately 20 percent of all comb honey offered in individual sections is stamped U. S. No. 1. Some U.S. comb honey is also sold in the Plains States.

Relatively little extracted honey is sold with U. S. grade terms stamped on the bottle or small cans which housewives would see in retail stores. The wooden cases in which the extracted honey is packed are sometimes so stamped, however, and a few individual beekeepers (the number is not known) use their U. S. Grade stamps on 5 and 10 pounds pails.

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#### PARITY PRICES REACHED

##### BY IOWA FARM PRODUCTS

Parity prices for farm products have been reached in Iowa, according to Iowa Extension Service. The Iowa Farm Price Index, computed by Iowa State College agricultural economists, was 128 percent of the 1910-14 level in September and the index of prices of things farmers buy as computed by the Bureau of Agricultural Economics also was 128 percent of pre-war, "resulting in 100 percent or 'parity' purchasing power for Iowa farm products."

But prices of farm products for the country as a whole still have a long way to go to parity, it is stated. On September 15 they were 107 percent of pre-war and 87 percent of parity. It is pointed out also, that the index of prices paid by farmers is for the county as a whole and so is not strictly accurate for Iowa farmers. Also, it is pointed out parity prices do not mean parity income. Though the Iowa farmer can now exchange his products for the commodities he buys on the same basis he could before the war, the quantity of farm products sold also is a detriment of income.

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#### PENNSYLVANIA HAS PEST

##### FARM OUTLOOK SINCE 1929

Pennsylvania Secretary of Agriculture J. Hansell French says in a review of agricultural prospects that the farming situation in Pennsylvania has improved remarkably during the past two years and the outlook is now the best since 1929. "Cash income from farm production this



year," he says, "is averaging 18 percent above last year, and almost 50 percent higher than in 1932. It is believed that the total cash receipts this year will be at least 82 percent of the 1925-1929 average, while in 1932 - the low point of the depression - the income was only 58 percent of that average.

"This means," he says, "the cash returns from farm production for 1935 will likely be approximately \$65,000,000 more than three years ago, or an increase of about \$340 per farm." The increased income is attributed to higher prices and better-than-average yields of products. The Secretary adds that farm real estate taxes have been reduced, and farm land values are increasing.

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#### IOWA CREAM GRADING LAW CLEANING UP INDUSTRY

It is reported that since the Iowa cream grading law went into effect July 1, more than 40,000 pounds of cream have been condemned as being unfit for human consumption, by dairy and food inspectors of Iowa Department of Agriculture with the cooperation of several Federal inspectors.

Under the law, any cream found to contain dirt, oil or other foreign matter which renders it unfit for human consumption, or which is stale, cheesy, rancid, putrid, decomposed, or actively foaming, is colored in such a way that it cannot be resold for human use. Enforcement officials say the grading law is working out successfully and that the industry is cooperating splendidly in carrying out its provisions.

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#### NEW GOVERNMENT RULING ON LABELING SUBSTANDARD JAMS

A new ruling in regard to the labeling of substandard jams and preserves has been announced by W. G. Campbell, Chief of the Food and Drug Administration. The intent is to bring the Federal procedure into line with trade practices which were adopted and became familiar under NRA codes.

Labeling for imitation preserves which will meet the mandate of the law is:

"IMITATION STRAWBERRY PRESERVE  
Prepared from 35 parts fruit to 55 parts sugar  
with added pectin solution. Not concentrated."

"If fruit acid or artificial color is added, " it is stated, "the presence of these ingredients should be indicated in the explanatory statement."

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#### BETTER HANDLING OF FRUITS AND VEGETABLES IS URGED

Most of the fresh fruits and vegetables lost to distributors and consumers from careless handling and disease - losses which may run as high as 20 to 25 percent for products such as peppers, tomatoes, strawberries, cranberries, onions, tangerines, raspberries, lettuce and oranges

can be saved by careful handling and refrigeration, the Department of Agriculture has learned after a two-year study.

The survey, the most extensive of its kind, was made by the Bureau of Plant Industry at Knoxville, Tenn., and covered 25 perishable fruits and vegetables from nearly 2,000 carlot shipments. It showed the greatest losers probably are consumers and growers. The distributor tends to pass on his losses to the consumer, who also loses on fruits and vegetables which do not show handling or disease injury when purchased.

Examples of careless handling are clipper cuts in citrus fruits, crushing berries in packing or by holding too many in one hand when picking, packing pieces of twig with apples, and packing all fruits and vegetables too high and too tight. Apple losses averaged 5 percent for the distributor and 4 percent for the consumer, it is stated.

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J. CLYDE MARQUIS of the Bureau of Agricultural Economics has gone to Rome, Italy, to assist Dr. H. C. Taylor, the American delegate to the International Institute of Agriculture, in the development of the informational and publication work of the Institute.

THE PRICE OF CABBAGE is determined by the price of gold, the supply of gold, the demand for gold, the demand for cabbage, and the supply of cabbage, says Dr. F. A. Harper of New York State College of Agriculture.

THE ECONOMIC SKY IS BRIGHTENING, says W. I. Myers, Governor, Farm Credit Administration. The brighter outlook, he says, is reflected in better collections and a greatly reduced demand for farm loans, especially emergency loans.

DR. CARL C. TAYLOR has been designated by Secretary Wallace to head the Division of Farm Population and Rural Life in the Bureau of Agricultural Economics. Dr. Taylor is also Director of the Rural Resettlement Division of the Federal Resettlement Administration.

FIVE MAJOR CHANGES have occurred in New York State's agriculture the past five years. They are a decrease of about 20 percent in farm values, an increase in lands in farms, an increase of 17,219 in number of farms, a gain of 140,000 cows, and an increase of 140,000 acres in the corn production area. An increase of about 56,000 acres in Irish potatoes is also reported.

NORMAN MONAGHAN has been appointed Deputy Land Bank Commissioner of the Farm Credit Administration. For the past year, Mr. Monaghan has been director of the Emergency Crop and Feed Section at Washington, D.C. The Land Bank Division of the FCA is headed by Commissioner Albert S. Goss.

STORAGE OF POTATOES at 60 to 70 degrees temperature for a two-week period immediately after digging will aid materially in preventing storage losses later, says W. E. Brentzel, plant disease authority, North Dakota Agricultural College.

WEIGHTS AND MEASURES OFFICIALS of California will convene at Los Angeles, October 16, 17, and 18.



# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

 LIBRARY  
 U. S. Department of Agriculture

 A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
 ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

October 16, 1935

Vol. 15, No. 42

### ILLINOIS MARKET GARDENERS TO MEET AT SPRINGFIELD

Problems of market gardeners and truck farmers will be discussed during the fifth annual meeting of the Illinois State Vegetable Growers' Association to be held at Springfield, Illinois, November 12, 13 and 14.

Various speakers will discuss the best methods of packing and grading fruit and vegetables, and of placing them on the market. Considerable time will be given to discussions of the Peoria and East St. Louis markets. The program will include discussions of cultural practices, the use of electric hotbeds, new fruit varieties, fruit and vegetable canning, and the growing and certification of southern plants.

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### FARM REAL ESTATE TAXES SHOW FURTHER DECLINE

Average farm real estate taxes per acre the country over decreased 5 percent from the levy of 1933 to that of 1934. The decline in the 1933 levy compared with 1932 was 14 percent. The figures are from a study by the Bureau of Agricultural Economics.

The 1934 figure stands 36 percent below the 1929 peak, says the bureau, but 54 percent above the base year, 1913. In relation to farm real estate values, taxes reached their highest point in 1932 and have since declined 26 percent, but in 1934 were still more than 100 percent above 1913.

Preliminary estimates suggest that the 1935 levies will not be greatly different from those of 1934.

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### CHEAP CORN THREATENS FUTURE HOG BUSINESS

Plenty of lower priced corn already is looming as a major threat to the stability of the hog industry, says R. H. Bliss, Iowa Extension Service, on the basis of reports from the Agricultural Adjustment Administration.

By 1937 under a system of uncontrolled production the supply of corn, it is stated, threatens to be 50 percent more for each hog than the average for the five years preceding 1936.

The decision as to what shall be done will be up to farmers themselves Saturday, October 26, in the corn-hog referendum when they vote on the question: Do you favor a corn-hog adjustment program to follow

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 Attn., Miss Trolinger,  
 Washington, D. C.

the 1935 program which expires November 30, 1935?

If acreage is not held in check in 1936, it is likely that American farmers will harvest more than 105,500,000 acres of corn or more than 2,500,000,000 bushels, Bliss says. Without a control program low prices may be expected beginning in 1937.

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#### PENNSYLVANIA SEEKS

##### BETTER HANDLING OF EGGS

Thousands of dollars are lost annually by Pennsylvania retailers through improper handling of eggs, says Pennsylvania Department of Agriculture which is seeking to prevent this loss. Poor refrigeration, damp storage, and keeping eggs too long at a high temperature before selling are principal reasons for loss, it is stated.

Suggestions for maintaining egg quality are: (1) Keep eggs at a temperature not higher than 55° F. nor lower than 32° F.; (2) keep eggs free from excessive moisture, and from strong, penetrating odors; (3) display eggs in a refrigerated show case or by some other method whereby freshness can be maintained; (4) sell all stock at least twice a week; (5) candle all eggs purchased to determine their quality.

State officials say candling is the retailer's only safeguard against misrepresenting the quality of eggs he is selling.

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#### CALIFORNIA REPORTS

##### ON CITRUS FRUIT COSTS

California Citrus League reports for 1934 an increase in per acre expenditures for oranges and lemons, a decrease in per acre yield of oranges, an increase in per acre yield of lemons, - and says that "putting these two factors together we find an increase in the per box cost up to picking in the case of oranges and a decrease in the case of lemons."

It is stated that "with an increase of \$7.98 per acre in expenditures up to picking, a decrease of 40.9 boxes in yield, we find an increase of 21 cents per box in cost up to picking for all varieties of oranges. The larger yield of lemons during 1934 operated to bring the cost per box down from \$1.18 in 1933 to \$1.10 in 1934."

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#### AGRICULTURAL ENGINEER

##### PREDICTS A "FACTORY STOMACH"

A "factory stomach" which will consume far more than "all of our hungry stomachs put together," is seen as one means pointing to a new type of American agriculture by L. R. Livingston, American Society of Agricultural Engineers. He refers to the rise in this country of an organic chemical industry whose aim is to create materials that do not exist in nature.

"Big business, including the largest and most influential corporations," he says, "is becoming interested in the agricultural puzzle. An unstable farm situation is a constant threat to business stability.



American industry wants to buy from the American farmer, because it knows the farmer, with money, will buy from industry.

"Already, uses for corn are being urged that, if adopted, would consume the entire present crop without leaving a single ear for one Iowa hog."

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#### SALES RECEIPTS FROM FARM

##### PRODUCTS CONTINUE TO RISE

Receipts from sales of principal farm products were 4 percent higher in August this year than last, and for the first eight months of 1935 they were 9 percent greater than in the corresponding period of 1934.

In reporting these increases, the Bureau of Agricultural Economics says the larger production of wheat, oats and a few other crops this year increased the volume of marketings in August, but the income from crops was less than in August a year ago largely because of the unusually low volume of corn marketed this year. An increase of 23 percent in income from livestock products more than offset the decreased income from crops in all regions except the West North Central.

All regions except the South Atlantic shared in the gains during the first eight months of 1935 compared with the corresponding period of 1934, the total for all States being \$3,556,824,000 this year against \$3,257,315,000 last.

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#### CHANGES IN POTATO ACT

##### SUGGESTED BY COMMITTEE

Recommendations by the Potato Program Development Committee of the United States for legislative amendments to the Potato Act of 1935 were recently made public by the Agricultural Adjustment Administration. The committee represents producers in a large percentage of the nation's commercial growing areas.

The Committee would amend Paragraph 1 of Section 205 of the Act to increase the present exemption for farmers whose average sales are five bushels or less annually. Growers whose average sales during the base period (1932-1934) have been fifty bushels or less annually would receive a sales allotment equal to their average sales for this period.

Paragraph C of Section 202 of the Act would be amended so that approval at a referendum of two-thirds of the producers entitled to an allotment would be necessary if the Act is to remain in operation after the potato marketing year which ends November 30. At present, the Act requires a vote for continuance by a majority of the potato growers entitled to a ballot if the law is to remain operative. A vote, however, is not required for the potato allotment year which begins December 1, 1935.

Consumers would be excluded from the penalty provision with reference to packaging and the affixing of stamps to packages; growers who sell direct to consumers would be permitted to file returns on their sales in order to eliminate the necessity of attaching stamps to their potato packages.

The Committee also advocated that the Secretary of Agriculture

ascertain by referendum the sentiment of growers toward enforcement of the Act during the allotment year beginning December 1, 1935.

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NEW JERSEY POULTRYMEN SAY  
DEPRESSION TROUBLES PAST

A profitable season this year was reported by hatcherymen and breeders from New Jersey and neighboring States in annual session at New Brunswick last week. They predicted a "better season" next year.

James C. Weisel, President, New Jersey Chick Association, reported sales in excess of 3,500,000 chicks this year. He said higher prices for red meats have increased the demand for poultry and eggs.

Charles H. Cane, President, Flemington Cooperative Egg and Poultry Auction Market Association, said "the outlook for the poultry business is decidedly optimistic."

Other participants reported variously "an unusually good season", "a good season", "an exceptionally heavy demand for chicks, pullets, and record of performance breeding stock", "the past season was the best in five years".

W. F. Kirkpatrick of Connecticut State College said: "Wall Street has nothing on the chicken business now; we're enjoying a bull market."

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MICHIGAN TO SELL EGGS  
BY THE POUND

Michigan housewives have been told that after November 1, Michigan eggs will be sold by the pound - not by the dozen, by Agricultural Commissioner James F. Thomson, according to a recent news story. It was stated that dealers will be required to grade eggs according to size and quality. There will be four grades: Fancy and Grades A, B and C.

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RECENT MIMEOGRAPHS issued by the Bureau of Agricultural Economics include "Influence of Test Weight Per Bushel on Milling and Baking Quality of Hard Red Spring Wheat - Crop of 1935"; "Marketing Colorado Cantaloupes, 1935 Season"; "Marketing Northwestern Apples, 1934-35 Season"; "Livestock, Meats, and Wool Market Statistics and Related Data, 1934"; "Cost of Production of Onions"; "Cost of Production of Melons"; "Farm Real Estate Taxes in the United States, 1913 to 1934."

A DIVERSION PROGRAM for the 1935 peanut crop has been approved by Secretary Wallace, following an investigation showing the average current farm price of peanuts is 3.25 cents per pound, or less than the fair exchange value as defined in the Agricultural Adjustment Act. Under the diversion plan, contracting peanut growers may receive payments on peanuts grown by them in 1935 which they sell direct to any oil miller who executes an agreement to divert such peanuts from normal channels into the manufacture of oil.

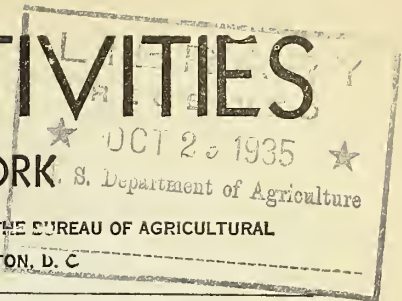
CONTRACTS for the purchase of 635,416 pounds of butter and 2,360,000 pounds of dry skim milk were awarded to ten firms by the AAA on October 12.



## MARKETING ACTIVITIES

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ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.



October 23, 1935

Vol. 15, No. 43

NEW YORK AND JERSEY CITYPOULTRY DEALERS TO BE LICENSED

On and after November 25, 1935, live-poultry dealers and handlers of New York City and Jersey City must have licenses from the Secretary of Agriculture, in accordance with recent amendments to the Packers and Stockyards Act. The formal order is as follows:

"Pursuant to an order of the Acting Secretary of Agriculture, dated October 8, 1935, public notice is hereby given that the following-named cities and markets and places have been designated as subject to the requirements of the Act of Congress approved August 14, 1935 (Public No. 272 - 74th Cong.) entitled 'An Act to amend the Packers and Stockyards Act', by adding a new title, 'TITLE V - LIVE POULTRY DEALERS AND HANDLERS':

"New York, New York,  
Jersey City, New Jersey; and

"1. An unloading terminal of the New York Central Railroad situated at approximately the foot of West 60th Street and West End Avenue, New York, New York.

"2. Independent Poultry Receiving Station of the M. Rosen Live Poultry Co., Inc., situated on Tracks 9 and 10, E., near 12th Avenue, approximately four blocks north of the 60th Street Terminal of the New York Central Railroad.

"3. West Washington Market, situated at or about 10th Avenue and Bloomfield Streets, New York, New York.

"4. Brooklyn Poultry Commission Co., Inc., situated at the Delaware, Lackawanna and Western Railroad Company Terminal, at approximately 26th Street and Third Avenue, Brooklyn, New York.

"5. The Live Poultry Terminal of the Delaware, Lackawanna and Western Railroad Company, situated at approximately 18th Street and Grove Avenue, Jersey City, New Jersey.

"6. The Live Poultry Terminal of the Central Railroad of New Jersey, at Jersey City (Communipaw), State of New Jersey.

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"7. The Live Poultry Terminal of the Delaware, Lackawanna and Western Railroad, situated at approximately 134th Street and Park Avenue (Harlem Transfer), New York, New York.

"The effective date of this designation is November 25, 1935. On and after that date all persons engaged in activities at such cities, markets, and/or places in connection with the handling of live poultry in interstate commerce are required to be licensed by the Secretary of Agriculture as provided for by said amendment and those not so licensed will be subject to the penalties provided therein.

"Copies of the Act and blank applications for securing licenses thereunder may be obtained from C. F. Walker, 305a U.S. Barge Office Building, New York, New York."

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#### CALIFORNIA SEES "BURDENSOME SUPPLY OF GRAPEFRUIT"

Burdensome supplies of grapefruit in the domestic market, together with increased competition in the foreign markets are in prospect during the coming years, according to California Extension Service, reporting results of a seven-year survey in San Bernardino County.

While the export trade has increased even more rapidly than the increase in production, it is stated, competitive factors are now beginning to make themselves sharply felt. Florida's average commercial production in the past five years has increased by 21 percent from the average of the preceding five years. In recent years South African plantings have been very heavy, so that a sharp upward trend in production is in prospect. A similar situation is said to exist in Palestine.

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#### HIGHER EGG PRICES EXPECTED IN NORTHEASTERN STATES

All signs of the times point toward the continuance for some time of comparatively high egg prices in New Jersey and the Northeast, says Dr. W. C. Thompson, New Jersey College of Agriculture.

"This," says Dr. Thompson, "seems to be an opportune time for men and women who have been wanting to go into egg farming to take the step, particularly if they take the time to get the facts before they start." The college is giving a 12-week poultry short course beginning October 28, "designed to prepare for this opportunity".

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#### TURKEY PRODUCTION REDUCED SAYS ECONOMICS BUREAU

The number of turkeys in the country has decreased sharply since last year, reports the Bureau of Agricultural Economics, on the basis of returns from crop reporters. Decreases, it is stated, appear to be much greater for ordinary farm flocks than for large commercial flocks. The returns show distinctly fewer of these small flocks, and an average size of flocks considerable less than last year. The reduction of birds is estimated at about 13 percent.



BANKS AND INSURANCE COMPANIESMORE ACTIVE IN FARM MORTGAGE FIELD

Farm mortgage financing by banks, insurance companies and other private investors showed a 27 percent increase during the first half of 1935 compared with the corresponding period in 1934, reports the Farm Credit Administration.

Private concerns and individuals recorded over \$306,000,000 of farm mortgages during the six months compared with \$241,000,000 in the same period in 1934. The amount in the last half of 1934 was \$221,000,000. The figures are estimates based on farm mortgage recordings in about 40 percent of the counties in the United States.

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MINNESOTA CAUTIONS FARMERSAGAINST FAKE TURKEY BUYERS

As turkey marketing time draws near, Dr. W. A. Billings of Minnesota Extension Service is warning farmers in Minnesota not to "give" their birds away by dealing with unknown buyers. "Knowing the firm you sell to," is the way to avoid disappointment, according to Billings. "Any reliable buyer of turkeys has a financial rating. If you don't know how to investigate, your local banker will gladly do it for you."

Dr. Billings tells growers how to sell birds, - cooperatively, to regular dealers, to firms "in far places", to butchers and consumers, and at roadside stands.

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NEW HAMPSHIRE HOLDINGMEETINGS ON FRESH EGG LAW

A series of meetings in every county in the State is being held by New Hampshire Department of Agriculture this month and next to familiarize egg producers with the provisions of the "Fresh Egg Law" passed by the recent session of the New Hampshire Legislature. The department is also soliciting suggestions to simplify administration of the law. The New Hampshire Poultry Growers' Association and County Farm Bureaus are cooperating.

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CALIFORNIA HALTS SALEOF BELOW-GRADE EGGS

The first major rejection of eggs offered the public in northern California occurred recently when the sale of 300 dozen was halted by agricultural officials because the eggs failed to grade up to the specifications of the egg standardization law.

The eggs were offered for sale under the sign "Eggs", but officials explain that under State law when the word "Eggs" is used in an advertisement they must meet the requirements of "Large-Extra" grade. The eggs were found to grade only as "Standard", and the store proprietor was required to change his sign to read "Standard" eggs, which is one grade below "Extra".

PROGRAM IS PROPOSED  
FOR 1935 POTATO CROP

The outlines of a proposed program designed to increase the income to potato growers from their 1935 crop was announced recently by the AAA. The proposed program includes (1) a plan for the diversion for industrial uses of potatoes of the 1935 crop which may be threatened with waste because of low prices and glutted markets, and (2) provides for the use of marketing agreements for potatoes of the 1935 crop now being harvested.

The diversion plan would be operative in surplus regions when the market was so glutted and the price in those areas as so low that conversion would be to the financial advantage of growers. An increase in the price of high grade potatoes to between one-half and three-fourths of parity, it is stated, would automatically, under ordinary circumstances, result in the cessation of diversion and cause the potatoes to be sent to their customary market instead.

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PLANS FOR FOUR-YEAR  
RYE PROGRAM ANNOUNCED

The AAA announced recently that a four-year adjustment program for rye, covering the years 1936 to 1939 inclusive, had been approved by Secretary Wallace. Under the adjustment contract, farmers will receive adjustment payments in consideration for adjusting their acreage of rye harvested as grain each year to 75 percent of their average past acreage harvested for grain. This 75 percent is subject to an upward increase in any year, if the Secretary of Agriculture proclaims before harvest time the necessity for a larger acreage.

Adjustment payments for the 1936 crop are to be at least 35 cents a bushel on each producer's farm allotment. Each producer's farm allotment will be 30 percent of his average annual production, which, in turn, depends upon his production in preceding years. The first instalment of the 1936 payment will be 20 cents a bushel on farm allotments, and will be paid as soon as possible after contracts are accepted.

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MORE THAN 1,300 FARMERS' COOPERATIVE ASSOCIATIONS have availed themselves of the credit facilities offered by the Farm Credit Administration through the regional banks for cooperatives. During the less than two years the banks have been in operation they have lent more than \$46,000,000 to farmers' cooperatives.

FARM WAGES are about 13 percent higher this fall than last, with the supply of farm hands about 95 percent of pre-war and the demand for labor 80 percent of pre-war, according to the Bureau of Agricultural Economics.

A MARKED SHORTAGE of certain imported foodstuffs, particularly fats, fresh and dried fruits, vegetables and eggs, is to be expected in Germany during the next twelve months, says the Foreign Service of the Bureau of Agricultural Economics.



STATE AND FEDERAL  
**MARKETING ACTIVITIES**  
AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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October 30, 1935

Vol. 15, No. 44

ECONOMISTS TO REPORT  
ON 1936 FARM OUTLOOK

Federal and State agricultural economists are in Washington this week studying the farm outlook for 1936. Representatives of the Bureau of Agricultural Economics, State agricultural colleges, and the Agricultural Adjustment Administration are participating.

A summary of their report will be published in the November 6 issue of "MARKETING ACTIVITIES". Printed copies of the complete report may be obtained later from the Bureau of Agricultural Economics.

Following the Washington outlook sessions, the State agricultural colleges are planning to issue local outlook reports and to meet with farmers all over the country to discuss farm plans for 1936.

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MARKETING OFFICIALS TO  
MEET AT CHICAGO IN DECEMBER

The National Association of Marketing Officials will hold its seventeenth annual convention at Chicago, December 4, 5, and 6. The executive membership of this association includes State marketing officials in twenty-one States, from California to West Virginia.

The theme of this year's program will be the handling of perishable food products in terminal markets. Federal and State agricultural economists and marketing authorities will participate.

Secretary Sidney A. Edwards of the association is soliciting program suggestions. Write him, - Hartford, Connecticut.

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CONSUMERS WOULD BENEFIT BY  
STABILIZED POTATO PRODUCTION

AAA officials believe that consumers would pay lower prices for potatoes over a period of years should prices be stabilized at a fair return to growers. Studies reveal that prices have been less in normal years than the average of high and low seasons. For instance, the average retail price of the small crop year of 1935 and the large crop year of 1928 was \$2.11 a bushel. The average of two years of medium production, 1923 and 1927, was \$1.91 a bushel. The grower's return per bushel was approximately the same during the two periods. The general conclusions from this study, it is stated, supported another study making comparisons of the average for the three highest years and the three lowest years with three seasons of normal production during the period 1920-1934.

IOWA TELLS FARMERS TO FATTEN  
TURKEYS NOW FOR THANKSGIVING

Turkey raisers should begin now to fatten birds for the Thanksgiving market, says Iowa Extension Service. A highly finished turkey that is soft meated and has plenty of fatty tissue between the muscle fibers, it is stated, will command a much higher price on the market than an unfinished bird which has dry, fibrous flesh. Experiments, says the Service, prove that it pays to finish turkeys for the holiday market, and that the final fattening period should begin approximately four weeks before the birds are marketed.

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NEW JERSEY BUREAU WATCHFUL  
OF WEIGHTS OF PACKAGED FOODS

Weights and Measures officials in New Jersey are actively checking on the weights of packaged foods in retail stores. J. G. Rogers, Assistant State Superintendent of Weights and Measures, explains that in the case of packed goods, the law requires that full net weight be delivered to the customer at the time of purchase. Some food products, he says, lose weight as they move through channels of trade or while they rest with the retailer, due in most cases to evaporation of moisture.

To illustrate, Rogers cites retail sacks of potatoes or of onions which are offered in 15-pound and 10-pound units. Housewives buying these products, he says, should have them reweighed so as to verify the weight given on the packages. Butter in packaged pound prints, he says, is occasionally found underweight, due to shrinkage. He urges consumers to buy foods by the pint, quart, pound, ounce or some other specific unit instead of by the bottle, a can, a jar, or a basket.

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INCREASED PIG PRODUCTION  
IS IN PROSPECT

Larger United States pig crops this fall and next spring are probable according to information available to the Bureau of Agricultural Economics. The increase means larger slaughter supplies next summer; but, hog slaughter during the coming winter is expected to be smaller than a year ago. Hog prices recently declined slightly from September prices, and a further seasonal drop is in prospect. But prices this winter are expected to average much higher than a year ago.

The British quota for imports of bacon and hams for the last quarter of 1935 has been tentatively fixed at about 17 percent less than the quota for the fourth quarter of 1934. The share of the total quota allocated to the United States is 8.1 percent.

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GOVERNMENT HOPES TO RETIRE  
FROM FARM LENDING BUSINESS

"As farm conditions improve, we expect the government to retire from the business of lending government money to farmers, and we believe and hope this will be accomplished by 1938," a group of master farmers and



their wives were told at Washington recently by W. I. Myers, Governor of the Farm Credit Administration.

"I believe farmers do not want a continuing credit subsidy," he said; "and the permanent institutions of the FCA are set up in such a way that the farmer-borrowers from these cooperative institutions may eventually own all of the capital stock in them and the voting power which goes along with such stock."

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#### BANKHEAD COTTON TAX IS REDUCED BY AAA

The AAA announced last week that 10.90 cents per pound had been determined as the average price of lint cotton on the ten designated spot cotton markets for a representative period, as the base for determining the rate of the tax on the ginning of cotton under the Bankhead Act. This automatically fixes the new tax rate at 5.45 cents per pound of lint cotton.

The AAA announced also that the transfer price of cotton tax-exemption certificates issued under the Act to producers has been lowered from five cents to four cents per pound. The exemption certificates permit the ginning and sale tax free of the quantity of cotton represented by them. Producers holding certificates in excess of their actual production may transfer these certificates to other producers who have grown cotton in excess of their allotments.

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#### NEW JERSEY DOING BIG BUSINESS IN EXPORT FRUITS

More than 100,000 bushels and boxes of high quality New Jersey apples have been exported this year to Europe and South America, with prospects for a considerable additional volume, reports New Jersey Department of Agriculture. The exports already made constitute about 4 percent of the State's 1935 commercial apple crop, which is estimated at 2,600,000 bushels.

A short, poor quality apple crop in England this year, it is stated, has paved the way for shipments of apples from New Jersey and other States. New Jersey began shipping early varieties late in July and, says the department, "got the cream of the export market". About 90 percent of the New Jersey shipments was to Liverpool, Glasgow, and London; the remainder to Argentina, Brazil, France, and Germany. For the first time, a considerable portion of the shipments were made in boxes.

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#### PENNSYLVANIA PROSECUTES FORTY FOOD DEALERS

Forty food dealers in Pennsylvania were ordered prosecuted last month for violating pure food laws, reports Pennsylvania Department of Agriculture. Among the products found being sold in violation of State laws were rancid butter, adulterated catsup, artificially colored cottage cheese, decomposed meat, bakery products with wrappers not marked, butter containing excessive moisture, lard compound sold for lard, stale

eggs for fresh eggs, milk below standard in food solids and butterfat, ice cream low in food solids and weight, and meat adulterated with cereal flour.

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"COTTON PRODUCTION IN NORTHEAST BRAZIL" is the title of a mimeographed report by P. K. Norris, Bureau of Agricultural Economics. Norris says in the summary: "The present high production, due largely to favorable weather, may not represent the peak of the upward trend; but in view of the many limitations and production problems of this section, it is reasonable to expect that any further expansion will be at a retarded rate, and that within the next few years production will drop off from the present peak."

UNITED STATES STANDARDS for cleaned (unshelled) Virginia-type peanuts, and for shelled Virginia-type peanuts, have been announced by the Bureau of Agricultural Economics, effective November 1.

EGG PRODUCTION IS INCREASING. There are more hens and pullets of laying age in farm flocks now than at this time a year ago. and they are laying more eggs, reports the Bureau of Agricultural Economics.

SALES OF WHEAT by farmers during the 1934-35 season were somewhat earlier than usual, reports the Bureau of Agricultural Economics in tables showing monthly marketings by States and groups of States during the period. More than half the wheat crop left farmers' hands from June to September 1934, the peak of sales being reached in July, when 29.6 percent of the total crop was sold. Normally, only about 20 percent of the wheat marketed is sold in July.

MASSACHUSETTS DEPARTMENT OF AGRICULTURE has issued a printed leaflet which contains suggestions to retailers on how to comply with the Massachusetts fresh egg law. Write F. H. Greeley, Director, Division of Markets, Boston, Mass., for copies.

IOWA EXTENSION SERVICE has available for distribution a number of bulletins of specific interest to agricultural economists and marketing officials. They deal with the agricultural emergency in Iowa, prospects for agricultural recovery, farm management, marketing, and tenancy. Write R. E. Buchanan, Director, Iowa Agricultural Experiment Station, Ames, Iowa, for a catalogue.

MIMEOGRAPHED REPORTS now available from the Bureau of Agricultural Economics are "Research in Progress in the Bureau of Agricultural Economics, July 1, 1935"; "Economic Development of the Cotton-Textile Industry in the United States, 1910-1935 (a bibliography)"; "Cost of Production of Fresh Peas"; "Revised Estimates of Rye Acreage, Yield Per Acre and Production, 1866-1929"; "Arizona Citrus Tree and Acreage Survey of 1935", and "Index Numbers of Prices Received by Farmers for Farm Products, 1910-1935".

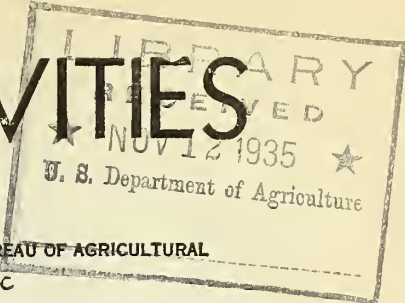
THE BUREAU OF LABOR STATISTICS has increased the number of items included in its index of retail food costs to give a more accurate picture of changes in food prices as they affect the family budget. The revised indexes are computed with average prices in 1923-25 as 100.



## MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

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November 6, 1935

Vol. 15, No. 45

FARM OUTLOOK IS FOR  
BETTER CONDITIONS IN 1936

Good news for farmers is contained in the annual farm outlook report released on November 4 by the Bureau of Agricultural Economics. Consumer buying power is increasing due to improved industrial activity, it is stated; some improvement in foreign demand for American products is foreseen, especially for cotton.

"The demand for farm products in 1936," says the Bureau, "is likely to be greater than in 1935. Consumer buying power in the United States is likely to be increased in 1936; buying power of consumers in many foreign countries also is likely to increase."

A note of caution to farmers is sounded, however, that "an increase in crop production would tend to check the advance in prices" that might otherwise be expected to result from improved consumer buying power.

The remainder of the bureau's outlook report, which was prepared in consultation with State agricultural extension economists and representatives of the Agricultural Adjustment Administration, discusses in detail the 1936 prospects for more than fifty farm products.

As to wheat, it is stated that average yields on the prospective United States acreage to be harvested in 1936 would produce more wheat than is usually consumed, and leave a surplus for export. Larger world consumption of American cotton is in prospect, says the bureau. Factors favorable to cotton exports include the somewhat lower prices of American cotton relative to a year ago and relative to foreign growths, and prospects for increased business activity.

Livestock Outlook Good

The livestock industries, with reduced numbers of animals and plenty of feed, are in the best condition in several years to benefit from increased consumer demand, it is indicated. Production of meat animals has passed the low point and an increase, especially of hogs, is expected. The total market supply of meat in 1936, however, is expected to be little if any larger than this year, since some time is required for the more abundant feed supply and increased livestock numbers to result in larger market supplies of meat.

The dairy industry, with the number of cows down to normal, also has an improved outlook. Because of more abundant feed, milk production is expected to increase even though no increase in number of cows is in immediate prospect. Milk consumption will increase with better consumer buying power, it is stated.

The bureau foresees relatively short supplies and high prices

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of poultry the remainder of 1935 and the first half of 1936. The expected increase in egg supplies during this period, it is stated, will probably be only partially offset by improved demand.

#### Potato Production to be Reduced

Some reduction in potato production next year below the large supplies this year and improvement in prices to producers are anticipated. With the potato control program, however, this reduction is expected to be materially less than would normally occur without the program, as a result of the low prices this year.

Fruit production in general is expected to expand as new acreage comes into bearing and young trees now in orchards become more productive. Expansion in production of fresh vegetables also is looked for, but a reduction in the output of truck crops for canning.

#### Farm Costs to be Less

The report states that averages of prices of commodities and services used in agricultural production probably will be a little less than this year, chiefly on account of reduced prices of feed, seed, and fertilizer.

Further improvement in the farm credit situation is expected with increased volume of credit available to farmers from private and public agencies.

In a statement on the outlook for farm family living, the report says cash income available to farm families after meeting production expenses probably will be higher in 1935 than in any year since 1929, although not all sections of the country are sharing equally in the increased income. Largest gains are in the North Central States, and moderate increases in other regions.

The outlook for 1936 income, it is stated, is for a continuance of the present upward trend.

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#### NATIONAL TAX-EXEMPT

##### POTATO SALES ALLOTMENT

A national tax-exempt sales allotment of 226,600,000 bushels of potatoes for the potato allotment year which begins December 1, 1935 has been announced by Secretary Wallace. The national allotment is equal to the average annual sales of potatoes during the five-year period 1929-33. An analysis of the relationship between prices, production, and sales of potatoes indicates that sales of 226,600,000 bushels would tend to result in price approximating parity.

The allotment was determined in accordance with section 203 of the Potato Act of 1935 which directs the Secretary to determine the quantity of potatoes for sale tax free which will, in his opinion, tend to give to potatoes the purchasing power equivalent to that during the period 1919-1929. The Act requires that a tax of  $\frac{3}{4}$  of a cent per pound be collected on all potatoes sold in excess of the tax exempt allotment.

The Secretary also made public the apportionment of the national tax-exempt allotment among the various States.



IOWA SAYS HOG MARKETINGS  
WILL NOT INCREASE NORMALLY

Hog marketings will not increase as much as they usually do at this time of year and prices will probably not fall as much as usual because last spring's pig crop was so small, says the October issue of Agricultural Economic Facts, Iowa Extension Service publication.

The decline in hog prices since late September is a seasonal development caused by heavier marketings of spring pigs and probably will continue for several months, the publication explains.

Another factor tending to decrease fall marketings this year is the favorable corn-hog feeding ratio which encourages farmers to hold hogs back for more corn and more weight, it is stated.

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NEW YORK ANNOUNCES  
HIGHER MILK PRICES

Increases in minimum base prices to be paid producers for each 100 pounds of milk in five classifications, delivered in October, have been announced by the Division of Milk Control, New York Department of Agriculture and Markets.

Milk sold for manufacture into ice cream upstate, cream cheese and butter was fixed at eight cents more than milk delivered for the same purposes in September. The increase in price of milk to be used in making American cheese amounted to  $2\frac{1}{2}$  cents from September to October while the estimated increase in milk for evaporated milk is six cents. The prices paid for milk used in these classes are based on average wholesale prices of the manufactured products. The price of class one, fluid milk, remained at the same level, \$2.45 per 100 pounds.

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CALIFORNIA DAIRY  
POSITION IS WEAKER

California's dairy industry is in a weaker position than the other major animal industries of the state and no improvement can be promised this year, says Prof. E. C. Voorhies of California College of Agriculture. Prof. Voorhies believes the present is a poor time for expansion, but a good time to dispose of cull cows.

Heavy decreases in meat animals, reducing meat supplies for next year, will cause hog, cattle, and poultry prices to be high as compared with those for milk fat, he says. Disease eradication programs will continue to reduce dairy cow numbers in California.

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FARM INCOME TO INCREASE

The Bureau of Agricultural Economics says that should farmers' income from sales of products continue to make about the usual seasonal changes during October, November, and December, the total income from farm marketings in 1935 would amount to about \$6,200,000,000 compared

with \$5,831,000,000 in 1934. Rental and benefit payments in addition will be about \$600,000,000 this year compared with \$556,000,000 in 1934.

Total cash farm income from marketings and from rental and benefit payments, on the basis of these figures, would be about \$6,800,000,000 in 1935 compared with \$6,387,000,000 in 1934.

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#### GOVERNMENT CITES CHAIN

##### STORES IN MEAT BROKERAGE CASE

The Department of Agriculture has cited The Great Atlantic and Pacific Tea Company to defend certain of its business practices which the department charges are contrary to the requirements of the Packers and Stockyards Act.

The department charges that the company "conspired and arranged" with one of its employes to represent himself as an independent broker of meats and meat products. As a broker, it is charged, this employe, C. J. Noell, acted in the sale of meats and meat products from packers to the A & P Co. and also to competitors of the company in the retail meat business, and collected "one, two, and three percent" commissions on these sales. The department charges that Noell transmitted to the company these commissions on sales, deducting only enough to pay his salary and expenses of his office.

This sort of activity, says the department, is forbidden under the Packers and Stockyards Act and has the effect of giving unfair advantage to the A & P Co. over its competitors. This system of garnering commissions, it is charged, has been in effect "prior to and since January 1, 1932". The company may file an answer to the complaint on or before Nov. 11, and a hearing has been ordered for Dec. 2.

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THE COMMODITY CREDIT CORPORATION has approved recommendations of the AAA for a loan of 45 cents per bushel to eligible farmers on corn properly stored and sealed on the farm. The loan is a continuation of a policy first inaugurated in the fall of 1933 to enable farmers to market their crop more orderly. One hundred percent collections have been realized by the government on loans made to approximately 213,000 farmers under the two previous corn loan programs.

NEW YORK DEPARTMENT OF AGRICULTURE AND MARKETS is conducting a milk advertising campaign. The campaign emphasizes that drinking of milk has an alkaline effect, that leaders in business and sports drink milk, that milk helps clear up the complexion, that milk is not fattening, and that milk is one of the least expensive of foods. The campaign is being financed by producers and the dealers contribute 1 cent per 100 pounds of milk sold in the form of fluid milk or fluid cream.

NORTH CAROLINA EXTENSION SERVICE now sponsors a "Carolina Farm Features" radio program over five stations in the state. The program includes short talks of about seven or eight minutes by specialists from the State College School of Agriculture, the Extension Service, and the Experiment Station.



## MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

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November 13, 1935

Vol. 15, No. 46

MARKETING OFFICIALSCOMPLETING CHICAGO PROGRAM

The National Association of Marketing Officials has announced that a trade exposition relating to the packing, distribution, and merchandising of perishable farm products will be held in conjunction with its seventeenth annual convention to be held at Chicago, December 4, 5 and 6.

The purpose of this exposition is to acquaint Federal and State marketing officials, educators, trade leaders, purchasing agents, traffic managers and representatives of farm marketing associations with the latest devices and methods associated with the standardization, grading, packing, distribution and sale of perishable farm products. The convention and exposition will be held at the Drake Hotel.

The theme of the annual convention is "The Handling of Perishable Food Products in the Terminal Market." Secretary Sidney A. Edwards of the association says "this is such an important phase in our marketing set-up and one which is so often misunderstood by many of us that we are devoting sufficient time to a thorough discussion of the various factors involved."

Topics to be discussed at the convention include "New Developments in Marketing", by A. G. Black, Chief, Bureau of Agricultural Economics; "Problems in Packaging Perishable Farm Produce", by A. J. Lorion, Director, Package Research Laboratory, Rockaway, N.J.; "Report of Committee on State Egg Legislation", by James M. Gwin, Chief Inspector, Connecticut Bureau of Markets; "Interests of American Egg Producers in Egg Tariffs", by F. A. Donnelly, Traffic and Credit Manager, Pacific Egg Producers, Inc., New York, and "Effects of Transportation Rate Differentials on Poultry and Egg Production in the United States", by Harrison F. Jones, Executive Secretary, National Poultry, Butter and Egg Association, Chicago.

Other addresses include "Perishable Transportation Developments from the Railroad Viewpoint", by J. M. Fitzgerald, Vice Chairman, Public Relations Committee, Eastern Railroads, New York; "Perishable Transportation Developments from the Motor Truck Viewpoint", by M. P. Rassmussen, Cornell University, Ithaca, New York; "Mercantile Exchanges in Terminal Markets", by E. R. Whiting, Business Manager, New York Mercantile Exchange, New York; "Functions and Operations of the Chicago Poultry Board", by Charles McNeill, Business Manager, Chicago Poultry, Board, Chicago, Illinois, and "Terminal Fruit and Vegetable Auctions in the United States", by Charles Irrgang, American Fruit and Produce Auction Associations, Inc., Chicago.

"Division of the Consumers' Meat Dollar among Distributors, Processors, and Producers" is the title of an address by Howard C. Greer, Director, Department of Marketing, Institute of American Meat Packers, Chicago; "Spray Problems of the Federal Food and Drug Administration",

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by W. S. Frisbee, Division of Cooperation, Federal Food and Drug Administration, and "Administration of the Warren Potato Act", by A. E. Mercker, Chief, Potato Section, Agricultural Adjustment Administration.

Secretary Edwards says "we feel that last year's meeting in New York City went a long way toward developing a better understanding between Federal and State marketing officials and members of the distributive industry. We are working along similar lines at Chicago this year. We hope also to build up our association in the Central and Far West."

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GOVERNMENT TO SUPERVISE  
NEWARK POULTRY MARKET

Newark, New Jersey, has been designated as a live-poultry market subject to Federal supervision. The formal announcement is as follows:

"Pursuant to an order of the Acting Secretary of Agriculture, dated October 29, 1935, public notice is hereby given that the following-named city and markets and places have been designated as subject to the requirements of the Act of Congress approved August 14, 1935 (Public No. 272--74th Congress) entitled 'An Act to amend the Packers and Stockyards Act', by adding a new title, 'TITLE V--LIVE POULTRY DEALERS AND HANDLERS':

Newark, New Jersey, and

- "1. An unloading terminal of the Pennsylvania Railroad situated at Hunter Street Yards, Newark, New Jersey
- "2. An unloading terminal of the Central Railroad of New Jersey situated at Mulberry and Mechanic Streets, Newark, New Jersey.
- "3. An unloading terminal of the Erie Freight Station situated at Passaic and Gouveneur Streets, Newark, New Jersey.

"The effective date of this designation is December 12, 1935. On and after that date all persons engaged in activities at such city, market, and /or places in connection with the handling of live poultry in interstate commerce are required to be licensed by the Secretary of Agriculture as provided for by said amendment and those not so licensed will be subject to the penalties provided

"Copies of the Act and blank applications for securing licenses thereunder may be obtained from C. F. Walker, 305a U.S. Barge Office Building, New York, New York."

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CALIFORNIA FINDS MARKETING  
CONDITION "SPOTTED"

A preview of California's fall and winter agriculture shows a spotted condition from the standpoint of both production and marketing despite mounting prices, with the necessity of further constructing acreage in some items and cautiously expanding in others, reports the College of Agriculture of the University of California.

Marketwise, California seems to have kept well abreast of the sustained increase in cash income nationally, it is stated. The total of this income is expected to reach \$6,800,000,000 in 1935, as against



\$6,300,000,000 in 1934, both figures including the statutory rental and benefit payments intended to balance supply and demand. California's share in this income is shown in a general average increase of 35 percent in farm income between 1932 and 1935.

However, the welfare, both of individual farmers and of whole groups in particular areas, it is stated, will be affected by the plans which producers in competing areas are making, and California farmers will have to watch this situation closely, if they are to hold their gains. Likewise above normal production and highly unfavorable export conditions are definite threats, the college adds.

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#### ADDITIONAL PACKERS CITED FOR FEDERAL LAW VIOLATION

Complaints against ten more packing companies charging them with violating the Packers and Stockyards Act have been filed by the Department of Agriculture. Nine companies were named in similar actions earlier last week, bringing the number of packing concerns against which such charges have been filed in the last four weeks by the Department to a total of 30.

The ten companies just cited by the department are charged with engaging in unfair practices by selling meat to The Great Atlantic and Pacific Tea Company, also cited, through one of its employes, C. J. Noell, who allegedly operated as an independent meat broker and turned most of the sales commissions over to his employer. These concerns, the government contends, knew of the arrangement between Noell and his employer, but continued to do business with him as their meat broker.

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#### LAND BANKS LARGEST HOLDERS OF FARM MORTGAGES

The big job of refinancing farmers' debts during the past two and a half years has made the Federal land banks the largest holders of farm mortgages, considerably surpassing life insurance companies and commercial banks, which formerly ranked as the largest holders of farm mortgages among classes of credit institutions, says the Farm Credit Administration.

At the beginning of 1935 the outstanding loans of the Federal land banks and Land Bank Commissioner amounted to more than \$2,533,000,000 or about one-third of the total farm mortgage debt. In 1928 the Federal land banks held about 12 percent of the total farm mortgage debt outstanding at that time.

Before the depression individuals were the largest holders of farm mortgages, but life insurance companies ranked first among institutional lenders. Their total farm mortgage loans, estimated at \$2,164,000,000 at the beginning of 1928, had dropped to \$1,266,000,000 at the beginning of 1935, or about 16 percent of the total farm mortgage indebtedness. A large decrease in the farm mortgage holdings of commercial banks has also occurred.

PENNSYLVANIA EGG AUCTIONS  
MAKE GOOD PRICE RECORD

Pennsylvania Bureau of Markets reports that fancy large eggs recently sold at Pennsylvania egg auctions for an average premium of four cents a dozen over the same grade of nearby eggs sold on the New York market, and five cents per dozen more than for the same grade of Pacific coast eggs sold in New York.

This indicates, says the bureau, the advantage of eggs auctions to poultrymen in Pennsylvania communities where there is a large supply of eggs and adequate local markets. The eggs are inspected officially by the bureau.

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EXCERPTS FROM THE ANNUAL OUTLOOK REPORT  
(Bureau of Agricultural Economics)

Better consumer demand for fresh commercial truck crops is in prospect next year...Onion growers are cautioned that a further considerable expansion of acreage next year is likely to result in a crop so large that a substantial portion of it probably could not be marketed...More than 900,000 horse and mule colts will be produced this year, the largest number in recent history...

World cotton supply is slightly larger than last year, 6 percent less than the peak in 1933-34, and 12 percent more than the average for the ten years ended 1932-33...Feed supplies and the number of farm animals are in the best balance in several years...The 1936 outlook for tobacco prices is favorable to farmers in most of the producing districts, but decreases in production of flue-cured, Maryland, and fire-cured tobacco are advised until stocks are further reduced...

The number of cattle on farms and ranches at the beginning of 1936 will not have changed much from 1935, but the trend thereafter is likely to be upward...The supply of lambs for slaughter in the remainder of this marketing year up to May 1 next will be the smallest in several years...Hog production is now increasing, and this will be reflected in increased slaughter supplies next summer...

With increased feed crop production this year an upward trend in numbers of meat animals - especially hogs - in the next few years is expected. These increases in numbers, however, will not be reflected in increased slaughter before 1937... The general level of livestock prices is likely to be at least as high next year as this...

Continued improvement in the farm credit situation during the coming year is in prospect...The average price of commodities and services used in agricultural production will be a little less next year, chiefly because of the declines in prices of feed, seed, and fertilizer... Farm wage rates will continue to rise, but feed and seed prices will be materially lower...

The supply of dry edible beans is the largest in five years... Growers are likely to reduce plantings of tomatoes for fresh-market shipments next year...Broader market outlets for rice are in prospect...



STATE AND FEDERAL  
**MARKETING ACTIVITIES**  
AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL  
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

November 20, 1935

Vol. 15, No. 47

GOVERNMENT MAY SUPERVISE BOSTON  
AND PHILADELPHIA POULTRY MARKETS

A public hearing is to be held at Washington, D. C., November 26, in connection with proposals for Federal supervision of the live poultry markets of Boston and Philadelphia, under provisions of the Packers and Stockyards Act as amended August 14, 1935. The amendment provides that the Secretary of Agriculture may designate cities in which licensing is necessary especially for the purpose of protecting producers against unreasonably low prices and consumers against unreasonably high prices.

Poultry dealers, handlers, and others interested in the marketing of live poultry in or near Philadelphia and in or near Boston have been invited to attend the hearing. The Department of Agriculture states that after a city has been designated, live-poultry dealers and handlers are required to obtain licenses from the Secretary of Agriculture. Three cities - New York, Jersey City, and Newark - have already been designated as subject to the provisions of the amended act.

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CALIFORNIA HOLDING FARM  
BUREAU FEDERATION MEETING

The seventeenth annual meeting of the California Farm Bureau Federation is being held this week at Santa Cruz, California. More than 2,000 California farmers are in attendance. Resolutions upon which members are voting include proposals to organize a cattlemen's or live-stock department to aid in solving economic problems of livestock producers, recommendations for national legislation which will protect the poultry industry against foreign competition, and a demand for repeal of the 1934 Reciprocal Tariff Act.

Other resolutions relate to mass buying by chain stores, reduction of freight rates, termination of trade agreements between Cuba and the United States in connection with avocados, bovine tuberculosis eradication, prices of wine grapes, excise taxes on foreign oils and fats, and revision of the Agricultural Adjustment Act to meet changing economic conditions.

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CANADA TRADE PACT TO  
BENEFIT AMERICAN FARMERS

A large part of the decline in our agricultural exports to Canada from \$50,000,000 to \$15,000,000 in the past five years should be recovered in consequence of the Canadian trade agreement, and, in addition the

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Attn., Miss Trolinger,  
Washington, D. C.

domestic market for farm products should expand on account of increased domestic payrolls, according to the United States Department of Agriculture.

The new agreement will benefit "the whole of agriculture", says Secretary Wallace, who points out that the United States has always had a greater volume of trade with Canada than with any other country except the United Kingdom.

"This extremely profitable mutual relationship, amounting on the average to over a billion dollars a year," the Secretary says, "was rudely broken by our Tariff Act of 1930 and by the retaliatory Canadian tariff shortly thereafter. It is my opinion that the new trade agreement with Canada is beneficial to all people of the United States, and especially to farmers."

Secretary Wallace points out "there are a few farm groups which will fear they are being hurt by the new agreement," but says that "actually in those cases the tariff reductions are moderate and in addition there are quota restrictions of such a nature that imports from Canada cannot affect the American price structure by more than 1 percent.

"This small effect, in my judgment," he continues, "will as a rule be more than offset by the increased payrolls of industries established along the northern border and in the Northeastern States."

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#### NEW YORK GRADING LAW

##### ADEQUATE, SAYS DIRECTOR

Responding to suggestions that eggs be sold by weight in New York State, as in Michigan, C. R. Plumb, Director of the Bureau of Foods of New York Department of Agriculture, has stated that the New York State egg grading law is adequate for the protection of both consumers and poultrymen.

The present New York State retail grades of eggs recognize four grades determined by quality which are Fancy, Grades A, B, and C. These grades also require that the package of eggs must be uniform in weight allowing not more than a 2/8 ounce variation between individual eggs.

The egg law specifically requires that eggs termed "large" must weigh not less than 24 ounces to the dozen; "medium" not less than 20½ ounces to the dozen, while eggs weighing less than 20½ ounces to the dozen must be classified as "small". In every case the word "small" must be declared in the labeling of eggs or in any advertising connected with the sale of "small" eggs.

A recent summary of inspectors' reports shows there were fewer violations of the egg grading and labeling law this year than at any time since 1927 when proper grading and labeling became mandatory.

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#### BUREAU TO REPORT TOBACCO

##### STOCKS IN PUERTO RICO

The Bureau of Agricultural Economics is making arrangements to report stocks of leaf tobacco in hands of dealers and manufacturers in Puerto Rico, for inclusion in its quarterly stocks report, under



authorization of a recent amendment of the Stocks and Standards Act. The bureau receives many requests for reports on insular stocks since a large percentage of the tobacco produced on the island is consumed in the United States.

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NEW YORK GETTING MILK  
FROM OTHER STATES

Attempts by some dealers to avoid paying the prices established by the New York milk control board have aided a shift in the source of supply, says M. C. Bond of New York College of Agriculture.

In 1928, he explains, more than three-fourths of the milk received at the New York market came from New York state. In 1934, only two-thirds came from New York, and by July, 1935, the proportion from New York had declined to about sixty-two percent.

The shift, he says, has been from New York to New Jersey and Pennsylvania. In 1928, less than five percent of the total receipts at the New York market came from New Jersey. Nearly eleven percent came from that source in 1934. Pennsylvania supplied about thirteen percent in 1928 and twenty percent in July, 1935.

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CONNECTICUT ENFORCING  
POTATO GRADING LAW

Connecticut Department of Agriculture has found a number of violations of the potato marking law recently enacted in that State, but is giving first offenders a chance for compliance. The law provides that all packages of potatoes sold at retail shall be labeled with the grade of potatoes contained therein, or if the merchant so desires, the packages may be marked "ungraded" or "unclassified".

Commissioner King believes that while a fifty dollar penalty is provided for the first offense, he can temporarily accomplish more through a warning to those who show a willingness to cooperate with his department. However, after sufficient time has elapsed to give the trade ample time to become acquainted with the law, it will become necessary, he says, to enforce the penalty where violations are evident.

Many of the owners of small stores are apparently unfamiliar with provisions of the law, it is stated. Inspectors are visiting these stores and instructing owners in compliance.

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FOREST SERVICE REORGANIZED

Reorganization of the Washington headquarters office of the Forest Service and reassignment of a number of staff members have been announced by F. A. Silcox, Chief. The reorganization involves consolidation of the functions of eight former branches into four major groups covering National Forest administration, state and private forestry cooperation, operation and information, and research. Land acquisition, a Forest Service function for many years, is provided for in a separate unit, as are all activities in connection with Emergency Conservation Work.

RUSSEL C. HAWES is now Chief of the Rhode Island Bureau of Markets. The former chief was Melvin H. Brightman. The bureau's marketing specialist is Sinclair F. Kenny, and its poultry specialist is Ralph Farrow.

GERMAN PRODUCTION of rayon yarn and of rayon staple fiber such as Vistra, Cuprama, Aceta and Flox, usually referred to in Germany as cut fibers, totaled 106,229,000 pounds in 1934 compared with 75,018,000 pounds in 1933. Production of synthetic cut fibers is being encouraged by the German Government in an effort to make the country more self-sufficing.

FOOD AND DRUG ADMINISTRATION CHEMISTS have developed an improved colorimetric method to detect minute quantities of lead on fruits and other foodstuffs.

GROSS CASH INCOME of Ohio farmers in October is estimated at 7 percent above that in September and 25 percent above that in October a year ago, by Ohio Experiment Station. The gross cash income this October was the largest for that month in five years.

A SPECIAL WEEKLY SUMMARY of turkey prices and market conditions available to New York State turkey growers is being issued by New York Department of Agriculture and Markets at Albany. The first report says the New York City market is "firm".

NORTH DAKOTA Extension Service reports that the State produced fewer turkeys this season because of high feed prices and poorer hatches. Many breeders sold out completely last fall, it is stated.

MIMEOGRAPHED REPORTS recently issued by the Bureau of Agricultural Economics include "Car-lot Shipments of Fruits and Vegetables, by Commodities, States and Months, 1934"; "Statistics of the Peach Industry" (for outlook workers); "Shipments of Fruits and Vegetables from Producing Regions to Consuming Markets by Motor Truck, 1933 and 1934"; and "Poultry Consumption and Consumer Preference for Poultry in New York City, January 1935".

THERE WILL BE NO MARKED INCREASE in number of milk cows on farms over the next two years, but milk production is expected to increase in response to better feed conditions, according to the outlook report of the Bureau of Agricultural Economics.

JAY N. DARLING resigned as Chief of the Bureau of Biological Survey, November 15. His successor is Ira N. Gabrielson who has been connected with the bureau since 1915.

TWO CHINESE FARM EDUCATORS, Y. W. Chang and W. M. Pao, are studying cooperative marketing associations at the University of Minnesota. Mr. Chang says there are many farm cooperatives in China; that cooperative credit societies are very common. Societies for cooperative burials and for cooperative weddings, he says, are "saving farm families much money".



# STATE AND FEDERAL MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

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ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

November 27, 1935

Vol. 15, No. 48

### STATE MARKETING OFFICIALS COMPLETE CHICAGO CONVENTION PLANS

The National Association of Marketing Officials has completed its program for the seventeenth annual convention to be held at Chicago, December 4, 5 and 6.

Additional speakers announced since the November 13 issue of MARKETING ACTIVITIES are Charles A. Urner of Urner-Barry Company, New York, who will discuss the report of the association committee on State egg legislation, and Carl W. Kimball, First Deputy Commissioner, New York City Department of Public Markets, who will address the convention on transportation problems in terminal produce markets.

The subject, terminal fruit and vegetable auctions, will be covered by Cutler B. Downer, President, American Fruit and Produce Auction Association, instead of by Charles Irrgang, American Fruit and Produce Auction Association, Inc., Chicago, as previously announced.

Early responses indicate that many commercial organizations will exhibit the latest devices and methods associated with the standardization, grading, packing, distribution and sale of perishable farm products, at the trade exposition which is to be held in conjunction with the marketing officials convention.

Both the convention and the trade exposition will be held at the Drake Hotel, Chicago.

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### CHICAGO TO HAVE BUSY CONVENTION WEEK

Fifteen conventions of interest to State marketing officials, State agricultural extension economists and others concerned with agriculture, in addition to that of the National Association of Marketing Officials, will be held at Chicago during the week of December 1.

They are the American Association of Creamery Butter Manufacturers, Dec. 3; American Society of Agricultural Engineers, Dec. 2-5; American Soil Survey Association, Dec. 3-4; American Society of Agronomy, Dec. 3-6; American Vocational Association, Inc., Dec. 3-7; Associated Women of the American Farm Bureau Federation, Dec. 6-7; Conference of Official Research Workers in Animal Diseases, Dec. 3; Horse and Mule Association, Dec. 4; International Association of Fairs and Expositions, Dec. 3-6; International Crop Improvement Association, Dec. 3-5; National Association Bureau of Animal Industry Veterinarians, Dec. 4-5; National Association of County Agricultural Agents, Dec. 3-5; National Association of State Directors of Vocational Education, Dec. 2-3; National Dairy Council, Dec. 4, and National Dairy Union, Dec. 4.

U. S. DEPT. OF AGRICULTURE  
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Washington, D. C.

SECRETARY WALLACE DISCUSSES  
CANADIAN TRADE AGREEMENT

Secretary Wallace in a recent radio broadcast answered criticism that the new Canadian trade agreement is unfair to such important American farm products as cattle and cream. He said:

"Three classes of cattle are involved: cattle weighing 700 pounds or more, calves weighing 175 pounds or less, and dairy cows. Cattle weighing between 175 and 700 pounds are not affected by this agreement. The Hawley-Smoot tariff rate on cattle weighing 700 pounds and over was 3 cents a pound. The new rate for Canada is to be 2 cents per pound, which is the same as in the Fordney-McCumber tariff, but with the limitation that no more than 155,000 head a year may be imported at this rate from Canada and all other nations put together. This number of cattle represents three-fourths of one percent of the cattle slaughtered in the United States in an average year. It is a number materially less than the average total annual cattle imports from Canada from 1927 to 1929.

"Can it be seriously argued that the stockmen of the United States are likely to suffer from any such importation? There need be no fear of the generalization of this agreement to other nations, because practically all imports of cattle over 700 pounds in weight come from Canada. The Mexican imports weigh less than 700 pounds per head, and are still bound by the Hawley-Smoot rates.

"The duty on calves is reduced in the Canadian agreement from  $2\frac{1}{2}$  to  $1\frac{2}{3}$  cents a pound, but again this reduced duty will apply to only 52,000 head, or about  $\frac{1}{4}$  of 1 percent of the total cattle slaughter in this country.

"The duty on dairy cows is reduced from 3 to  $1\frac{1}{2}$  cents a pound on a quantity not to exceed 20,000 head. Inasmuch as our dairy cattle numbers are not now excessive, and inasmuch as the program to eradicate tuberculosis and Bang's disease has eliminated 858,000 animals during the year ending last August, a quota of 20,000 at a reduced duty is so infinitesimal that it should not alarm anyone.

Canadian Cream

"Another American concession about which must will be said is the reduced duty on Canadian cream. It has been reduced from 56.6 cents to 35 cents a gallon, but again there is a quota involved. The agreement says we will admit no more than 1,500,000 gallons of cream a year from Canada at the reduced duty.

"In terms of whole milk equivalent this represents about one-tenth of one percent of the total annual milk production of the United States. Imports of 1,500,000 gallons of cream under the new agreement should be compared with imports from Canada of three to five million gallons a year between 1924 and 1929.

"It is difficult to see anything at all disturbing to the American dairyman in this.\*\*\*Dairymen, therefore, will do well to compare their incomes from 1924 to 1929, when cream imports from Canada were more than twice 1,500,000 gallons, with their incomes between 1930 and 1934, when cream imports from Canada were almost non-existent. Let dairymen consider how intimately their incomes are related to factory payrolls. When factory payrolls are going up, dairy incomes are going up; when



factory payrolls are going down, dairy incomes are going down. If the Canadian agreement, therefore, is certain to help American industry fatten its payroll, dairymen will be winners rather than losers.\*\*\*

"Our new trade agreement with Canada is one of the most hopeful and helpful things for American agriculture that has happened in a long time."

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#### IOWA SAYS MUCH 1935 CORN

##### UNFIT TO PLANT NEXT SPRING

More than 60 percent of the 1935 corn crop in Iowa probably contains mold, says Iowa Extension Service on the basis of recent field observations and laboratory tests. Prevalence of the dry rots together with frost injuries, both of which have damaged the viability of the crop, make it unwise to save such corn for seed, it is stated.

Hundreds of ears harvested the last week in October appeared normal on the outside, but when they were broken, mold was discovered. In some cases the germs of the kernels were completely rotted; in others only partially rotted.

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#### NEW JERSEY HORTICULTURAL

##### SOCIETY TO MEET NEXT WEEK

Problems of fruit and vegetable industries will be discussed by growers at the 61st annual meeting of the New Jersey State Horticultural Society at Atlantic City, December 3, 4 and 5. Most of the meeting will deal with production problems but there will be discussions of problems in exporting apples and marketing vegetables. Samuel Fraser of the International Apple Association, Rochester, New York, will be one of the speakers.

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#### SEEKS TO CONTROL TRAFFIC

##### IN INTERSTATE MILK

Commissioner Ten Eyck of New York Department of Agriculture and Markets says that Professor Bond's findings (reported in these columns last week) that sources of the milk supply for the metropolitan area of New York are shifting from upstate farmers to dairymen of other States, "proves conclusively the inescapable necessity for control of the traffic in interstate milk - not for the purpose of controlling shipments from the metropolitan milk shed to the New York-New Jersey marketing area, but to guarantee that after the milk is received there it is dispersed at the same price as that established for milk produced in New York State.

"When this has been accomplished," he adds, "we will have brought about a natural balance of the milk shipped to the metropolitan market from all the states of the shed, and we will have cut the unnatural surplus now existing in the State of New York."

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WRITE THE BUREAU OF AGRICULTURAL ECONOMICS, Washington, for its recently revised printed circular No. 8 entitled "National Standards for Farm Products". It covers the history and present status of the standardization program.

NEWS OF THE WEEK IN BRIEF

THE BUREAU OF AGRICULTURAL ECONOMICS says the world hog industry is expanding, in its quarterly summary of world hog and pork prospects... There was brisk competition at the London wool sales which opened on November 19...The dairy situation is featured by a decline in milk production since September, by increased prices and consumption of butter, cheese and evaporated milk, and by reduced storage stocks of butter... The Chinese cotton crop will be reduced by more than 600,000 bales this year compared with last...The United States is eating more butter, cheese and canned milk...Recent heavy rains have reduced the cotton crop in Northern Brazil...Virginia fire-cured tobacco prices received a setback on November 13 after a comparatively favorable opening the previous day... Continental Europe has a good hop crop this year.

THE AGRICULTURAL ADJUSTMENT ADMINISTRATION says it has spent \$204,000,000 dollars removing surpluses and relieving drought since 1933...Growers of Burley, fire-cured and dark air-cured tobacco will soon be offered new contracts for the crop years 1936 to 1939, inclusive... November 30 is the final date for farmers to sign applications for the 1936-39 wheat adjustment contract...A public hearing will be held at Caribou, Maine, December 6, on a proposed marketing agreement and order for potatoes...The present sugar beet production adjustment contract has been extended to include the 1936 crop year.....The National Potato Advisory Committee has recommended permitting all growers whose sales records show that they have been selling not to exceed 50 bushels of potatoes annually, to obtain tax-exemption stamps sufficient to cover sales in the amount of their actual average sales during the base period, 1932-35.

THE FARM CREDIT ADMINISTRATION says thousands of farmers who were forced to borrow from loan companies charging from 2 to 3½ percent a month are being refinanced in increasing numbers by production credit associations at reasonable rates of interest...Increasing interest in the purchase of farms is reflected by the large number of applications for loans for this purpose received by the land banks in recent months...An 80 percent increase in loans of farmers production credit associations during the first nine months of 1935 compared to the corresponding period last year indicates the growing demand for sound short-term farm credit. During the year ended September 30, 1935 less than one-fourth as many farmers made emergency appeals to prevent foreclosures as during the previous year...Farmers had paid over 84 percent of all matured interest instalments on Land Bank Commissioner's loans at the end of October...More than 750,000 farmers own stock in the permanent cooperative credit institutions under the Farm Credit Administration.

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MIMEOGRAPHS obtainable from the Bureau of Agricultural Economics include "Prospects for Increased Foreign Cotton Production" by P. K. Norris; "Statistical Report of the Deciduous Fruit Export Season, 1934-35" by A. C. Edwards; "Quality of the 1935 Crops of Wheat, Barley, Oats, Rye, and Grain Sorghums", and "The Consumer and the Standardization of Farm Products" by Caroline B. Sherman



STATE AND FEDERAL

# MARKETING ACTIVITIES

AND OTHER ECONOMIC WORK

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A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL

ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

December 4, 1935

Vol. 15, No. 49

## ECONOMICS BUREAU REPORTS

### ON A YEAR OF VARIED WORK

Activity aiding the national efforts to stimulate agricultural recovery, the Bureau of Agricultural Economics continued, during the past fiscal year, most of its established activities and engaged in new ones as necessitated by emergencies or the need for new information in guiding the policies of agricultural adjustment. These, says Dr. A. G. Black, Chief of the Bureau, in his annual report, covered a wide range, from emergency drought surveys and the listing of feed supplies to specific economic research on complicated current problems.

The bureau's outlook program, conducted in close cooperation with the Agricultural Extension Service in the Department of Agriculture and the States has led many farmers and others to plan their work so as to adjust production to demand, says Dr. Black. The bureau's work in the field of land economics has been utilized as the basis for further planning for the administration of the Nation's land resources.

One of the outstanding achievements of the bureau in this field, says Dr. Black, culminated in the publication of the study entitled "Economic and Social Problems and Conditions of the Southern Appalachians". Another important study reached the public in the land-utilization and land-policy section of the report of the National Resources Board.

The report emphasizes the work of the bureau's Division of Crop and Livestock Estimates and its field statisticians in connection with the wheat, cotton, and corn-hog programs of the AAA. This division also assisted greatly in the administration of the Bankhead Act relating to cotton.

The new Division of Marketing Research cooperated constantly with the Consumers' Counsel of the AAA. The staff of the Division of Land Economics gave much of its time to the work of the Land Policy Section of the Agricultural Adjustment Administration, later of the Rural Resettlement Administration. Later in the year the Division of Farm Management and Costs devoted almost its entire attention for a considerable time to regional adjustment studies.

There are chapters in the report on the bureau's current-information services, its economic surveys, the work of its Foreign Agricultural Service, its standardization programs, its farm products inspection services, the administration of a number of regulatory laws, and its economic research. Copies of the report are obtainable from the Bureau of Agricultural Economics, Washington, D. C.

### CALIFORNIA STUDYING ITS MARKETING PROBLEMS

A committee authorized by the California Assembly to investigate agricultural marketing problems in California is meeting at Sacramento this week. Chairman John Phillips of the Committee says the group is planning to study the benefits and abuses of mass buying, the causes of the differential between the price paid to producers and the price paid by consumers for agricultural commodities, and the effect of State and Federal agricultural regulatory measures upon California.

The group will meet at Berkeley in late January to study mass buying, general aspects of regulatory marketing legislation and programs, regulatory measures in the prune industry, and livestock marketing problems. The Farm Bureau Federation in recent annual convention at Santa Cruz adopted a resolution asking the Committee to include mass buying in its inquiries.

Chairman Phillips says that at a hearing at Santa Cruz the Committee found that "in spite of the rising price of food stuffs, this increase in price was not followed by anything like a similar rise in price to the farmer. The increasing cost, according to statements made at the hearing, must be traced to causes which exist between the time the farmer is paid and the housewife buys the articles in a retail store."

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### MINNESOTA EXPERTS GOOD BEEF CATTLE RETURNS

Favorable prices for beef cattle during 1936 appear almost certain, owing to reduced numbers of beef cattle, the short supply of meat in the country, and prospects of increased payrolls for industry according to the Minnesota Extension Division outlook report just issued.

Prices of grain-fed cattle are likely to decline somewhat after the first quarter of 1936, it is stated, because of increased supplies, but prices of low grade cattle may average as high in 1936 as in 1935, because of the short supply of all meat.

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### NEW YORK CITY EGG SUPPLY SOURCES HAVE SHIFTED

New York City is now getting about 19 percent of its egg supply from east north central states as compared with 41 percent in 1922, and 38 percent of its supply from west north central states as compared with 28 percent thirteen years ago, reports New York College of Agriculture. The middle Atlantic states are supplying about 19 percent compared with 13 percent in 1922.

Iowa is reported to be the leading source of supply, New York is second, Washington third, Illinois fourth, and California fifth. Ten percent of the eggs received at New York come from Washington, more than 3,000 miles away.



NEW MEXICO FARMERSSTUDYING ECONOMIC CONDITIONS

Fourteen committees of farmers in New Mexico are studying, under the direction of county extension agents, economic conditions in the Middle Rio Grande Conservancy District. This District was organized for the purpose of developing an irrigation system that would supply the valley with water to irrigate land which would otherwise produce little or nothing. A dam has been built on the Chama River a few miles southwest of Tierra Amarilla, and canals and drainage ditches dug. A type of agriculture must be found now to enable farmers to make a living and pay taxes and water charges.

The committees are trying to determine what crops and animals will be the best money makers for the valley, what markets are available for certain crops, and what the prospects are for certain crops to be profitable in the future.

IOWA FARMERS TO HELPDEVELOP LONG-TIME PLAN

County agricultural planning committees are being organized in all Iowa counties to help the United States Department of Agriculture develop a long-time agricultural plan to follow the emergency programs of the AAA.

These committees, representing all farm groups and types of farming in a county will work with a state committee, of which Murl McDonald, assistant director of the Extension Service at Iowa State College, is chairman.

Dr. T. W. Schultz, head of the Agricultural Economics Department at Iowa, says that up to date the activities of the AAA have been aimed largely at meeting emergency problems. Now that machinery is available which enables farmers to work collectively, he says, the AAA desires to have developed a long-time adjustment program that will provide for continued balancing of total production with market requirements, conservation of soil resources and development of a sound land program, and decentralization and simplification of the adjustment procedure.

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COMMISSIONER TEN EYCKEXPLAINS NEW YORK EGG LAW

The New York State egg law, explains Commissioner Peter G. Ten Eyck of New York Department of Agriculture and Markets, aims to separate edible eggs into four grades - Fancy, Grade A, Grade B, and Grade C - according to the interior quality, and each grade into three sizes according to weight - small, medium, and large. Retailers are required to designate the grade of eggs offered for sale in plainly lettered placards and also to mark on the sack or carton in which the eggs are sold the proper grade of the eggs in the container.

Department of Agriculture and Markets inspectors visit retail stores to investigate both the manner in which eggs are offered for

sale and the quality of the eggs. After a sample representative dozen of eggs is secured the inspector requests the manager or proprietor of the store to attend the candling conducted by the inspector in the store itself with candling equipment carried by the inspector. The inspector shows the storekeeper, if the eggs do not meet the grade represented, why they fail to meet the grade. The regulations and the consequences of violation are explained to the storekeeper. The inspector reports the grade of eggs tested, the quantity of such quality of eggs in the store, their source, the selling price, methods and legality of the display, and how the eggs were offered for sale.

If the eggs are off-grade, misbranded, or displayed in a manner to confuse the consumer or are described or advertised to create the impression that the eggs are of a higher grade than the inspection reveals, the storekeeper is warned of the violation at the time. The Department is interested, says Commissioner Ten Eyck, in bringing about full compliance, but it is not interested in assessing penalties other than to assist in enforcing the law.

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THE ANNUAL CONVENTION of the Connecticut Vegetable Growers' Association will be held at Bridgeport on January 29 and 30.

A STABILIZATION AND MARKETING PLAN for fluid milk will go into effect at Sacramento, California, December 9, the State Director of Agriculture, A. A. Brock, has announced. The plans establish a price of 58 cents per pound milk fat for fluid milk and fluid cream, to be paid all producers by distributors within the Sacramento metropolitan milk marketing area.

CORNELL has been pointing candid cameras at eggs, and reports that more than 3,700 fresh eggs had to be broken before 9 could be found that would give to the camera the correct story of quality. Now the department has a set of 9 pictures that reveal the differences in fresh eggs; and why some may be good and some poor. The series shows the best eggs down to the poorest.

SHARPLY REDUCED PRICES of corn, hogs, and wheat dropped the farm price index 1 point during the month ended November 15. Prices of dairy products, eggs, cotton, potatoes, and most truck crops advanced. The farm price index is 108 compared with 109 on October 19 and with 101 on November 15 a year ago.

THE POTATO ACT went into effect December 1. Marketing of the national tax-exempt sales allotment of 226,000,000 bushels would require production of 350,000,000 to 355,000,000 bushels, explains the AAA. The difference between production and sales is the portion of the crop used for seed, sold to starch and other potato products manufacturers, fed to livestock, lost through shrinkage, or consumed on the farm on which the potatoes are produced.

MORE FAVORABLE EGG PRICES plus the seasonal rise this fall places a premium on feeding and managing poultry flocks for high fall and winter egg production says Illinois Extension Service.



# MARKETING ACTIVITIES

## AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL

ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

U. S. Department of Agriculture

December 11, 1935

Vol. 15, No. 50

### STATE MARKETING OFFICIALS MEET IN ANNUAL CONVENTION

Chicago Meeting Explores Rapidly Changing Food Distribution System...Turns Spotlight on Defects and Offers Suggestions for Improvements.

A kaleidoscope of rapidly changing events in food distribution in recent years was revealed by the National Association of Marketing Officials in Seventeenth Annual Convention at Chicago, December 4, 5 and 6.

Topics discussed by public and private leaders in the industry included progress in marketing, problems in packaging perishables, egg tariffs, transportation developments, mercantile exchanges, fruit auctions, the consumer's "meat dollar", and the Potato Act.

The sessions were attended by marketing officials representing fifteen States and by a large group representing various portions of the distribution industry - packagers, processors, transporters, wholesalers, commission merchants, and retailers.

The convention was welcomed in behalf of Governor Horner of Illinois by Director Walter W. McLaughlin of Illinois Department of Agriculture. Presiding officers were George A. Stuart of Pennsylvania, President of the Association, and H. M. Newell of Illinois, Vice-President.

#### Developments in Marketing

The opening address was by Dr. A. G. Black, Chief, Bureau of Agricultural Economics, on developments in marketing in 1935. Dr. Black declared that the number of persons engaged in the distributive field has shown a very disproportionate increase in recent years... In 1930 nearly 12,000,000 persons were engaged in marketing and distribution... This ever-enlarging segment wedging, he said, into the general field of distribution suggests there is "a lot of waste and lost motion somewhere between producer and consumer".

The motor truck has in some respects almost revolutionized the marketing picture, the speaker said. It has made the flow of products more sensitive to the cross-currents of price and demand. But the readier diversion of products, he added, makes prospective supplies in given markets unpredictable, - a difficult factor in the bureau's market news service.

Dr. Black cited the growth of large distributing and processing companies, and direct marketing of livestock as other outstanding developments in marketing. The depression, with all its sharp pressure to cut costs, he declared, has undoubtedly accelerated many of these developments.

Revision of the Universal cotton standards and the enactment of the Tobacco Inspection Act were important developments during the past year, Dr. Black said. Progress in the use of United States standards and grades for butter and eggs was reported. A number of new Federal and State laws affecting marketing were cited by the speaker - amendments to the Agricultural Adjustment Act, the Potato Act, and amendments to the Packers and Stockyards Act designed to bring the live poultry markets under the jurisdiction of the Secretary of Agriculture. State legislation the past year included a wide variety of action ranging from prohibition of sales of immature citrus fruit in Florida to the licensing of poultry inspectors in Minnesota.

Studies of the bureau's market news system, Dr. Black said, have indicated need of a research program to show in detail how prices quotations and other statistical material can be made more accurate and more useful to the farmer, to the trade, and to the general public. Continued cooperation of the bureau with state marketing agencies was pledged by the speaker.

#### Packaging Problems Studied

Problems in packaging perishable farm produce were discussed by A. J. Lorion of the Package Research Laboratory, Rockaway, New Jersey. A new wirebound box or crate for fruits and vegetables, manufactured of light board and requiring no nails, was exhibited. Economies in first cost, in handling, and in shipping were enumerated as features of the container. Mr. Lorion said that "the desirable box or crate must be effective in reducing costs of handling the box through all the packing house operation, in reducing losses in transportation, and in reducing transportation charges."

#### Egg Legislation

The National Association a year ago appointed a committee to study state egg laws and to recommend "a proper egg law". This committee was composed of James M. Gwin, Chief Inspector, Connecticut Bureau of Markets; Horace M. Newell, Superintendent, Illinois Division of Standardization and Markets, and L. M. Rhodes, Commissioner, Florida Marketing Bureau. A copy of the committee report may be obtained through Sidney A. Edwards, Deputy Commissioner, Connecticut Department of Agriculture.

The report was discussed by Charles A. Urner, Urner-Barry Company, New York, who said in conclusion "If a law to regulate retail sale of eggs is deemed necessary, a measure modeled after the Connecticut or New Jersey statute is best for all concerned. In separating fresh and non-fresh eggs I would make reasonable use chiefly of the factors of yolk



shadow, yolk movement and air cell size and I would not, in the light of present knowledge, rule out of the fresh grade, eggs with air cells of less than  $\frac{1}{4}$  inch depth if the cells were slightly tremulous, providing yolk shadow and movement indicated fine quality. I would not pass any rules to hinder the application of refrigeration or shell-treating by approved methods."

### World's Poultry Congress

A plea to the Association to help bring the World Poultry Congress to the United States in 1939 was made by F. C. Elford, Dominion Poultry Husbandman, Ottawa. The 1936 Congress is to be held at Leipsig.

### Egg Tariffs

F. A. Donnelly, Traffic and Credit Manager, Pacific Egg Producers, Inc., presented a paper on the interests of American egg producers in egg tariffs. He told of the efforts of an industry committee, - the Poultry Emergency Committee - to secure Federal legislation for a tax of 5 cents a dozen on imported shell eggs, 10 cents a pound on frozen eggs, and 31 cents a pound on dried eggs, in addition to present tariff rates, as a means of protecting the industry "from an avalanche of imports". The proposed bill died in the House Ways and Means Committee due to pressure of other business. Mr. Donnelly said that "although the Poultry Emergency Committee failed in its main objective, it was successful in its secondary one in that the reciprocal trade agreements recently concluded do not disturb our existing import duties on eggs and egg products."

The speaker reported that during the ten months January through October this year, imports of eggs in the shell were 373,383 dozens as compared with 156,503 dozens in 1934. Whole eggs dried were 465,625 pounds this year compared with only 1,131 pounds last year. Imports of dried yolks for the ten months this year were 3,292,744 pounds against 1,937,120 pounds for the corresponding period last year. Frozen yolks compared 1,160,432 pounds for the period, with 242,882 pounds last year, while dried albumen imports for the ten months this year, were 1,557,955 pounds compared with 292,331 pounds last year.

"If all or even half of these eggs had been kept out of the country," Mr. Donnelly said, "the apprehension now felt as to the outcome of this year's storage egg deal would not be in evidence.\*\*\* I think a supreme effort should be made to put across a protective program immediately upon the assembling of congress next month."

### Transportation Problems

A session of the convention was given over to the presentation of papers and discussions of rail transportation, motor truck transportation, and transportation problems in terminal produce markets. E. S. Briggs, Secretary-Treasurer, American Fruit and Vegetable Shippers Association, presided.

The difficulties of the railroads through rising costs of operation and increasing competition from motor trucks were subjects of an address by J. M. Fitzgerald, Vice-Chairman, Public Relations Committee, Eastern Railroads, New York.

"The motor has become an important factor in the transportation field," the speaker said. "Operating over highways constructed and maintained at public expense, it has enjoyed advantages which are denied to the railways. Free from governmental supervision and regulation, the motor has bid for the cream of the traffic in every direction, and with no public obligation to maintain rates, service, or even a financial responsibility.

"Motor transport is economically sound, it is here to stay, and it will have an important place in our national transportation system. But everybody knows that the public interest must always be the paramount consideration and every transportation agency must recognize this fact. When the unregulated motor truck first entered the perishable field, it was solely as a transport agency. However, it was not very long before it actually became a merchandiser of perishable products. It brought to the markets an uncharted and unexpected supply which was beyond the control of any marketing organization or distributor.

"The result was inevitable - it created chaotic conditions in every consuming center. Grade standards were broken down, market stability vanished, and orderly process of distribution was destroyed."

#### Motor Trucks in Marketing

Dr. M. P. Rasmussen of Cornell University presented the results of a survey of the trucking industry by the Farm Credit Administration in cooperation with nine state agricultural colleges. He said that the use of motor trucks has not greatly increased supplies of fruits and vegetables which have come to city markets, and that many members of the produce trade do not agree that net returns to growers are consistently higher for produce shipped to market by rail or boat than for that shipped by motor truck.

He stated also the statistical evidence accumulated in the survey does not bear out the theory that the motor truck brings mostly low grade produce to market. Farmers are making increasing use of motor trucks, he added, because they regard the truck as a modern development that enables them to meet depression conditions by adjusting transportation costs more nearly to low price levels than has been possibly by other methods.

Discussing problems arising from use of trucks, Dr. Rasmussen declared "the shift from rail to truck has made it virtually impossible to estimate daily supplies of produce at any large market before trading



starts.\*\*\*With motor trucks arriving at the market at all hours of the day and night, market conditions are such as to make buyers reluctant to make early purchase of their daily supplies for fear that a later avalanche of supplies by truck will cause them large losses. This makes draggy markets.\*\*\*The influx of a constantly increasing number of motor trucks constitutes a heavy strain upon the capacity of streets in and adjacent to existing market districts."

If an economic solution of the motor truck problem is to be achieved, he said, some method must be worked out for reporting intended arrivals of produce by motor truck before the usual sales period opens, and adequate and uncongested receiving, display and sales facilities must be made available for all produce, however transported, so that the maximum number of buyers may have easy access to and bid upon the varying quantities and qualities available without the exceedingly costly delays now common in all markets..

The solution of the traffic problem, he declared, "most likely to succeed appears to be the creation of adequate union motor truck terminal markets, together with proper municipal or regional ordinances making the use of such terminals obligatory for all motor-borne produce coming to a given wholesale produce market."

#### Terminal Produce Markets

A paper on transportation problems in terminal produce markets, by Carl W. Kimball, First Deputy Commissioner, New York City Department of Public Markets, was read by Webster J. Birsdall, Director, New York Bureau of Markets.

Mr. Kimball declared that a quantity of perishable foods totaling 1,600 cars is required to feed the consumers in the metropolitan area of New York every day. The long established food terminal district in New York, he said, has outgrown its bounds and its possibility to serve the industry economically and well, - a situation now being studied by the Department of Public Markets with the hope of providing better facilities and better control.

Information has been gathered as to the inbound and outbound movement of perishables by truck through the congested streets, he stated, to prompt the belief that a schedule of traffic regulations could be employed so that this movement may be staggered and the trucking activities speeded up to eliminate congestion and delay.

Construction of a new wholesale market terminal in the Borough of the Bronx on the Harlem River was cited as a definite step forward to relieve New York's difficult terminal situation. This location, Mr. Kimball said, is sufficiently far away from lower west side Manhattan to make a market of this character and of this size an operating success. A union terminal is now being built in the Borough of Brooklyn, the speaker announced.

Mercantile Exchanges

A session of the convention was given over to addresses and discussion of mercantile exchanges in Chicago and New York, the Chicago Poultry Board, and terminal fruit and vegetable auctions. Lloyd S. Tenny, Business Manager, Chicago Mercantile Exchange, presided.

Mr. Tenny said: "I think that the subject of auction markets in the fruits and vegetable field and mercantile exchanges in the produce trade are altogether too little understood. The enormous business that is conducted in these terminal markets is almost beyond belief, and I am quite sure that if you will poll the cross-section of our farm population you would find a lack of any appreciation on their part of the magnitude of this business. These terminal auctions and exchanges have been a part of our marketing scheme for a long while."

E. R. Whiting, Business Manager, New York Mercantile Exchange, gave an historical background of the development of mercantile exchanges, declaring that "because of an unsatisfactory basis of arriving at daily butter and egg values, plus an ever-increasing consumer demand with its accompanying huge turnover, mercantile exchanges were born of economic necessity.

"The first accomplishment of trading in butter and eggs on the exchanges," he continued, "was the proper establishment of equitable, daily market values. These were arrived at through a system of competitive bids and offerings made by or through members, and they reflected the true price values. Based on the laws of supply and demand, plus the ability of the consumer to pay, competitive bids and offerings have proved, without doubt, fundamentally the best system of market making.

"\*\*\*No select group controls the making of prices - the entire membership, composed of independent merchants, so-called large interests, chain store operators, cooperatives, creamery operators, and others, has the daily privilege of buying and selling without discrimination and, hence, all have the opportunity to participate in the creation of an unrestricted, all-expressive, free and open market."

Future Trading

"A difficult problem to be solved by exchanges," Mr. Whiting declared, was the trade weakness of having wide price differentials exist between the value of goods during the flush spring and slack fall production periods.\*\*\*From the old 'to arrive' contract of sailing ship days, an essentially American future delivery contract was developed with a definite time delivery limit, and so, future trading became a part of mercantile exchange activities.\*\*\*

"Future trading has provided both wider markets and greater general liquidity for butter and egg assets. Because of the intrinsic soundness of the hedging process, paper based on hedged merchandise is readily acceptable to both warehousemen and commercial banks. The absence of the risk of loss due to unforeseen price fluctuations lessens the insurance costs to the handler, whatever may be his position in the industry, and hence the cost of handling from the producer to the con-



sumer is lessened."

### Chicago Poultry Board

Charles E. McNeill, Business Manager, Chicago Poultry Board, described the functions and operations of that organization. He said that prior to 1910 the live poultry trade of Chicago had no organization of dealers and no place where poultry could be brought and sold in open competition. The Chicago Poultry Board was then organized to provide a trading place where receipts were posted and sales and purchases consummated. The Board operates a daily "call" on all business days from 9 to 9.30 a.m. for trading in both live and dressed poultry.

At the opening of the "call" the receipts of live poultry by truck and by car are posted on the blackboard, showing the names of the receivers, the number of trucks each has and the number of coops in the trucks. In case of carlots the name of the receiver is posted, the number of the car, the road over which it arrived, and the contents of the car. Trucks of poultry arriving after the call are posted at the opening of the next day's call.

All sales are made based on grades of which there are two - No. 1 and No. 2. Culls are not allowed to be sold but are turned over to the Board of Health Inspectors for condemnation. Anything sold on the Board must be delivered by the buyer and accepted by the receiver, subject only to regrade by an official inspector should the poultry prove unsatisfactory in the buyer's estimate. Penalties are provided for non-acceptance or non-delivery as the case may be.

The Board has established this year an afternoon call from 2 to 3 p.m. on Monday, Wednesday and Friday of each week for trading in dressed poultry.

### Fruit and Vegetable Auctions

Cutler B. Downer, President, American Fruit and Produce Auction Association, Boston, Mass., described the growth of fruit and vegetables auctions. He reported that these auctions are in operation in ten cities east of the Mississippi River, - New York, Chicago, Boston, Philadelphia, Baltimore, Cleveland, St. Louis, Cincinnati, Detroit and Pittsburgh. In some of these cities auctions were established prior to 1900.

Mr. Downer declared the growth of the auction system is due to the insistence by everybody connected with the business in fair and honest dealing, to the speed with which the distribution of fruit and produce is made, to prompt payment to shipper's representative (within 24 hours) of the net proceeds, to assumption of credit risk by the auction company, and to the low rate charged for the sale and credit risk.

Auctions have been instrumental more than any other factor, the speaker said, in the constant improvement in grades and packages.

A printed booklet in which are set forth the best reasons for selling at auction and which contains a short description of an auction sale may be had by writing Mr. Downer.

### The Consumer's Meat Dollar

Division of the consumer's meat dollar among distributors, processors and producers was the subject of an address by Howard C. Greer, Director, Department of Marketing, Institute of American Meat Packers. He said that under normal conditions, out of each dollar about 25 cents goes to the retailer, 5 cents to the wholesaler, about 15 cents to the packer, about 5 cents goes for livestock marketing, and about 50 cents to the farmer.

Of the packer's margin, Mr. Greer stated that wages and salaries take about 42 percent; operating supplies, fuel and power about 23 percent; taxes  $3\frac{1}{2}$  percent; depreciation, wear and tear on buildings and equipment 5 percent; repairs, insurance, advertising and other expenses 16 percent; interest on indebtedness 7 percent, and profit  $3\frac{1}{2}$  percent.

Of the retailer's margin, wages and salaries take about 54 percent; store rent 10 percent; other store expenses 22 percent, and profit 14 percent.

The speaker asserted that efforts to reduce margins are frequently checked by governmental agencies by taxing chain stores, raising railroad rates, and forcing trucks to raise rates in order to protect the railroads.

### Spray Residue Problems

W. S. Frisbie of the Food and Drug Administration discussed spray residue problems. He said the Department of Agriculture has been studying the spray residue situation for twenty years, but that there was no reliable rapid method for determining lead until 1933 when the Secretary of Agriculture announced tolerances both for arsenic and for lead. The present announcement also includes a figure for fluorine by reason of the use of insecticides containing fluorides. Last year, 299 seizures of apples were made out of a total of 338 for all fruits and vegetables bearing excess spray residue. \*\*\*The Administration is insisting upon as complete freedom from arsenic and lead as is humanly possible in the case of all articles of food.

### The Potato Act of 1935

A. E. Mercker, Chief of Potato Section, AAA, told how the Potato Act of 1935 is to be administered. (Mr. Mercker's paper will be summarized in the December 18 issue of "MARKETING ACTIVITIES")

H. M. Newell of Illinois Division of Standardization and Markets was elected President of the Association for 1936; Webster J. Birdsall of New York Bureau of Markets was elected as Vice-President, and Sidney A. Edwards of Connecticut Bureau of Markets as Secretary-Treasurer.



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December 18, 1935

### SECRETARY WALLACE ISSUES ANNUAL REPORT

Vol. 15, No. 51  
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U. S. Department of Agriculture

Cooperative crop adjustments, besides aiding farmers and at the same time safeguarding the interests of consumers, have invigorated urban industry and pointed the way to a balanced abundance, declares Secretary Wallace in his annual report to the President. Further progress depends, he says, on the cooperation of non-farm business in a coordinated effort for general expansion.

Asserting that agriculture, despite the recent drought and the crop adjustments, is producing, relatively to the demand, far more abundantly than urban industry, the report stresses the importance of correcting this disparity. It urges increased industrial production. Otherwise, with farm production well maintained, farm purchasing power will sag, it contends.

"With agriculture continuing to supply the domestic market abundantly, as it fully intends to do," says the Secretary, "parity prices for agriculture would require an industrial production level at least 10 percent higher than that of 1929."

Secretary Wallace declares the necessity for controlled production continues, though the emphasis should now be shifted from reduction to adequate balanced output for the available market, domestic and foreign. The report also discusses farm land values and urges farmers to ponder the dangers of speculation and over-valuation.

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### NEW JERSEY MINDFUL OF CONSUMERS' INTERESTS

DEPT. OF AGRICULTURE  
WASHINGTON, D. C.

A policy of activities with a view to serving consumers as well as farmers, has been adopted by New Jersey Department of Agriculture, says State Secretary William B. Duryee in his annual report. There is a growing tendency on the part of consumers to demand, he says, that the quality of their food supplies be recognizable and that supplies meet high standards.

In response to this demand, the department is reported to be devoting considerable effort to official grading work. Wholesale or retail grades have been promulgated for fruits, vegetables, milk, eggs and honey.

A Fresh Egg Law was put into effect last year. Under it, the department made 23,622 inspections of retail stores, discovered 3,508 violations, and assessed penalties totaling \$2,857.

Secretary Duryee reports the department had under its supervision about 20 percent of all the Grade A milk sold in New Jersey.

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Washington, D. C.

PENNSYLVANIA OPENS DRIVE  
ON ILLEGAL MILK TANKS

Pennsylvania Department of Agriculture has opened a drive against faulty receiving tanks in milk plants, as result of a recent investigation which disclosed that many tanks are so constructed that they prevent taking an accurate sample of milk for the butterfat test.

The law dealing with this subject specifies that no weigh tank or container from which milk is taken for composite samples shall have any partition, division or strainer which prevents thorough stirring or mixing.

Most of the illegal milk tanks, it is stated, contain strainers so arranged as to interfere with the thorough mixing of the milk in the tank.

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LISTS FRUITS SUITED  
TO ROADSIDE MARKETS



### IOWA EXPECTS HIGHER PROPERTY TAXES

Although the general tax trend in recent years has gradually taken some of the burden from property by the creation of special taxes, owners of Iowa farms and other real estate will find their 1936 property tax slightly increased because of larger county and local assessments, say agricultural economists of Iowa State College.

Inspection by the state comptroller's office of 50 county budgets, it is reported, indicates the following average increase in property tax for local purposes: For county purposes, 12.8 percent; for city and town, 4.1 percent; and for city and town consolidated and independent, 4.25 percent. The average rural school district budget shows a decrease of 1.35 percent.

The tax base has gradually been enlarged until property, which in 1912 made up 97.1 percent of the total taxes raised by state and local government, in 1933 made up only 78 percent - a decrease of almost 20 percent.

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### ILLINOIS FINDS DAIRY COW A GOOD MARKET FOR FEED

At present feed and dairy product prices, Illinois farmers can almost double their cash return from forage and grain if they market these feeds in the form of milk, cream and butter rather than sell them on the market, according to C. S. Rhode, Illinois College of Agriculture. Dairy men are advised, however, they must have good cows and give them plenty of the right kinds of feed combined into a balanced ration. With feed prices lower in proportion to milk and butterfat prices this year than last, it is stated, there is every incentive for Illinois dairy men to get the most out of their cows through careful feeding.

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### NEW YORK ADVISES FARM OWNERSHIP

Ownership of farms will probably be more desirable during the next fifteen years than during the past fifteen, says Prof. F. A. Harper of New York College of Agriculture. Young men who are trying to decide whether to buy a farm now or to continue as a farm laborer or tenant are urged to give first consideration to the trend during the next few years of the general price level because "ownership of property is more desirable when the price level is rising than when it is falling. The best evidence at the present time," he adds, "suggests that the general price level has passed its low point and in a few years is likely to be higher than now."

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MARYLAND EXTENSION SERVICE has recently issued a report of its activities during the last ten years. It is titled: "The Passing of a Decade." Write Maryland University, College Park, Maryland, for copies.

## ADMINISTRATION OF THE POTATO ACT OF 1935

By A. E. Mercker, Potato Section, AAA

(Excerpts from paper read at Marketing Officials Convention, Chicago, Dec. 6): The control feature of the Potato Act is embodied in a tax provision which levies a tax of 75 cents per cwt. on potatoes sold over and above the annual sales allotment which is tax free. All potatoes must be packed in closed containers to which either a tax free or a tax paid stamp of the proper denomination must be affixed at the time of first sale. It is not contemplated to change any of the present packaging customs of the potato industry. There is no limitation on the quantity of potatoes which may be produced or consumed by the household of the producer, or the households of persons employed by the producer. There are no limitations on the quantity that may be given away or on the acreage that may be planted. The sole regulation is of the quantity which may be sold tax free.

The national tax free sales allotment for 1936 (226,600,000 bushels) has been apportioned among the several states in accordance with the formula set forth in the Potato Act.\*\*\*Before making any apportionment of the 226,600,000 bushel sales allotment for 1936 among the states, 4,532,000 bushels, or 2 percent, was deducted and set aside as a reserve, as provided in the law, for the purpose of making later adjustments in state allotments when and if found advisable from the standpoint of equity and fairness.

The next step will be to break down the state allotment to counties and finally to individual growers. This has already been done in some of our Southern states, and will proceed rapidly in all states. Five percent of the state's allotment is set aside for new growers. In apportioning the remainder, the quantity of potatoes sold by each county and each grower during the years 1932-1935 will be the determining factor.

The administration of the program is by the growers themselves. To assist them in determining the county and individual allotments there is designated in each state a State Potato Agent who will be assisted by a State Committee of from three to five leading potato producers. The next step will be the selection of local or county committees of potato growers who will be assisted by the county agricultural agent. Individual growers will file their applications for allotments in their own county potato office and they will be passed upon and recommended to the state office by their county committee.

Tax exemption stamps have been printed and are being used by growers of new potatoes in South Florida, Texas and California. The stamps are, or will be, in denominations ranging from 1 pound to 165 pounds. The law does not apply to potatoes harvested prior to December 1, and the 1935 crop potatoes in the thirty late states may be marketed during the remainder of the 1935 marketing season in the same manner as in the past.

Our program contemplates establishing and maintaining a fair price to our potato growers closely approximating a fair exchange value for potatoes and the things potato growers must buy.



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December 25, 1935

Vol. 15, No. 52

### VIRGINIA MARKETS DIVISION

#### COMPLETES ANOTHER ACTIVE YEAR

More than half a billion pounds of agricultural and other commodities were inspected by Virginia Division of Markets during the past fiscal year, according to the annual report of J. H. Meek, Director. The farm products included apples, beans, cabbage, peaches, peanuts, potatoes, spinach, watermelons, eggs, poultry, turkeys, lambs, and tobacco. Eggs inspected and graded totalled 150 carloads or more than twice the quantity in 1934.

The activities of the Division, Mr. Meek says, are primarily the maintenance and distribution of market information; standardization of agricultural and other commodities; inspection showing the grade, quality and condition of products; assistance to cooperative associations in securing proper articles of incorporation and bylaws, systems of records and accounts; market news service; and the operation of a sale and exchange service.

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### IOWA SEES MARKED FARM

#### SHIFTS IN PROSPECT

With adjustment programs emphasizing a shift from corn to grass crops in the Corn Belt, the long-time trend will probably be toward more sheep and cattle raising in this area, according to Iowa Extension Service in its report on the 1936 Iowa farm outlook.

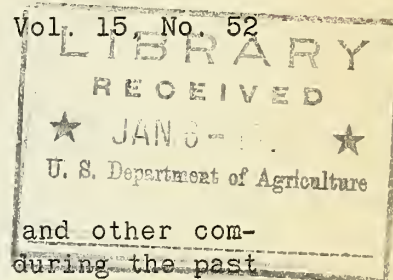
Both beef and dairy stock will probably be expanded, it is stated the shifts to be made in different areas to depend largely upon price advantages or disadvantages. Parts of Iowa may increase dairying; other sections may increase beef raising; and still others may raise more sheep, says the Service. Horses and mules may be increased in some sections, it is stated.

"There will certainly be a considerable decrease in hog production as compared with pre-drouth and pre-AAA years," says the Service. "It is unreasonable to expect that all the decrease in corn production will be reflected in hogs, however, and more natural to expect some decline in cattle feeding. Perhaps this will mean more grass-fat and fewer grain-fed cattle marketed in the future."

Copies of the report may be obtained from R. K. Bliss, Director, Iowa Extension Service, Ames, Iowa.

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"THE FARM REAL ESTATE SITUATION, 1934-35" has just been issued by the Bureau of Agricultural Economics.



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Attn: Miss Trolinger,  
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TEXAS REPORTS ON STUDY  
OF COOPERATIVE GINS

A mimeographed report of a study of costs, income and financial status of cooperative gins in Texas in 1933-34 has just been issued by Texas Experiment Station. Seventy-two gins included in the study did more than \$8,400,000 worth of business during the year covered. The more important variables among gins affecting costs were found to be the size of plant, investment in the plant, number of bales of cotton ginned, and hundredweights of seed cotton per bale ginned.

The average income from ginning tolls was \$5.35 a bale. The average net income was \$1.78 a bale, ranging from a loss of 68 cents to a profit of \$2.82. The net income, it is stated, was equivalent to 25.1 percent on the original investment of the 72 gins. On an average, gins distributed their net income in the following manner: patronage and stock dividends, 59.7 percent; interest on indebtedness 7.2 percent; Federal income taxes, 0.8 percent; losses on bad accounts, 1.5 percent; and left in the business, 30.8 percent.

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AGRICULTURAL GROSS INCOME  
EXCEEDS EIGHT BILLIONS

The gross income from farm production for 1935 is tentatively estimated at \$8,110,000,000 compared with \$7,266,000,000 for 1934 and \$5,337,000,000 in 1932, the low point of the depression, according to the Bureau of Agricultural Economics. The gross income is the largest since 1930. Rental and benefit payments are included in the figures, but the amount of such payments on 1935 adjustment programs was less than in 1934.

Cash income from 1935 production will be about \$6,900,000,000, it is stated, or an increase of 10 percent over 1934. However, the value of goods retained from home consumption is expected to be about \$1,200,000,000 or about 16 percent more than in 1934. Farmers' expenditures have again increased less than gross income, says the bureau, so that the actual position of the farm operator has improved more during the past year than is indicated by the increase in gross income.

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PENNSYLVANIA REGULATES SALE  
OF 'COLOR ADDED' ORANGES

Pennsylvania dealers in citrus fruits have been warned by Pennsylvania Department of Agriculture to observe the regulations governing the sale of "color added" oranges. Oranges so colored must meet a minimum standard of 9 percent total soluble solids as shown by the Brix Hydrometer test and each orange must be stamped with the words "color added" in a clear and distinctive manner. No "color added" oranges may be mixed with other oranges not so colored. The words "color added" must be stamped in type not less than three-fourths of an inch in size in capital letters on the labels on packing boxes. In retail stores, display cards printed in a conspicuous type with the words "color added



oranges" must be used in close proximity to the "color added" oranges being offered for sale.

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MARKETS COMMISSIONER EXPLAINS  
PROPOSED MILK MARKETING ORDER

A proposed order governing the handling of milk in the New York-New Jersey metropolitan marketing area was issued recently by Peter G. Ten Eyck, Chairman, Seven-State Governor's Committee on Interstate Milk Relations. The order, Mr. Ten Eyck explains, is designed to provide substantially uniform payments to dairymen in the entire milk shed. The shed includes areas in New York, Pennsylvania, New Jersey, Connecticut, Massachusetts, Maryland and Vermont.

The order provides for classifying milk into three classes and fixing minimum prices to be paid by handlers to producers only for interstate milk in classes 1 and 2, fluid milk and cream, with a formula for computing prices in class 3, the evaporated milk class. It also provides for the appointment of a "market agent" by the Secretary of Agriculture to administer the provisions of the order. To cover expenses of administration, it is provided that handlers shall pay not more than two cents per hundredweight.

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MINNESOTA EXPECTS HIGH  
LAMB AND WOOL PRICES

Prices for lambs in 1936 are likely to average the highest of any year since 1924, says J. B. McNulty, agricultural extension economist, University Farm, St. Paul, Minnesota. Wool prices also promise to be strong, he says. The basis of the forecast is largely the fact that the number of ewes in 1936 is likely to be little, if any larger than in 1935, and about 7 percent less than in 1934. Woolen milk activity has been at a high level and "the carry-over of wool in the United States is likely to be the smallest in several years," it is stated.

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CALIFORNIA ANNOUNCES MILK  
MARKETING PLAN FOR ALAMEDA

A stabilization and milk marketing plan for the Alameda (California) marketing area, including a provision that all distributors pay producers at a rate of 62 cents per pound of fluid milk fat, was recently put into effect by California Department of Agriculture. Eleven counties ship milk to the control area. Application for creation of a control board was made by the United Milk Producers Association of California, the Cooperative Dairymen's League, and independent producers. The control board was selected from candidates nominated by producers.

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"TREND OF TAXES on Farm and Ranch Real Estate in Texas" is the title of Bulletin 512 recently issued by Texas Experiment Station.

THE BUREAU OF AGRICULTURAL ECONOMICS recently reported: Farmers' cash receipts from the sale of principal farm products increased more than usual in all regions in October, with largest gains in the Western and West North Central States...The outstanding feature of the wool situation in recent months has been marked improvement in mill activity in both the United States and Europe... The general level of farm prices appears to be practically unchanged to slightly higher than a month ago... Average farm prices of this year's principal crops will be 13 percent less than last year's, but 9 percent more than for the 1933 crops, and 72 percent above prices for 1932 crops...A cotton crop of 4,479,000 bales is expected in India this year compared with 4,023,000 bales produced in 1934...Current production of manufactured dairy products is less than that of a year ago, but production in early 1936 is likely to exceed that in early 1935...World production of feed grains will be slightly larger this year than last but less than the average.

THE AGRICULTURAL ADJUSTMENT ADMINISTRATION recently reported: The press story that foremost lawyers of the Department of Agriculture advised Secretary Wallace more than six months ago that the Agricultural Adjustment Act was "utterly unconstitutional" "is a pure fabrication from start to finish"...The new four-year cotton adjustment contract to be offered to cotton producers covers the calendar years 1936, 1937, 1938 and 1939. A total base acreage of 44,500,000 acres has been adopted. The minimum adjustment required for 1936 will be a reduction of 30 percent below the base acreage established for individual farms. A single adjustment payment of not less than five cents per pound on the average yield of lint cotton on the land withheld from production under contract will be made for 1936...The tax free sales apportionment under the Potao Act is 7,500,000 bushels more than the quantity of potatoes sold annually in the six year period from 1929 to 1934...Consumers buying potatoes in the ordinary way are exempt from penalties under the Potato Act.

THE FARM CREDIT ADMINISTRATION recently reported: A continued active demand for short-term credit was the outstanding development of FCA financing during November...About 400,000 farmers with first and second mortgage Land Bank Commissioner's loans made under the emergency refinancing program of the past two and a half years had virtually 85 percent of their matured instalments paid up to date on November 30...Short-term loans to individual farmers through the FCA in 1935 reached over half a billion dollars...No program for the marketing of the 1936 wool clip will be put into effect...More than 6,400 farms placed on the market were sold by the Federal land banks to farmers and other investors in the first ten months of this year compared with 4,900 in the corresponding period in 1934...More than 750,000 farmers individually own stock in the permanent cooperative credit institutions under the FCA.

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AMENDED RULES AND REGULATIONS governing the grading and certification of canned fruits and vegetables have been issued by the Bureau of Agricultural Economics. Other mimeographed publications include a bibliography entitled "Financing American Cotton Production and Marketing in the United States", and a "Survey of Protein Content and Other Grading Data of the 1935 Barley Crop of the Midwestern and Pacific Coast States."



# 482-1040 ACTIVITIES

1. The first activity is a reading assignment. The students are to read the first chapter of the book, "The History of the United States," and write a short essay on the main events of the chapter.

2. The second activity is a writing assignment. The students are to write a short story about a person who has lived through the events of the chapter.

3. The third activity is a drawing assignment. The students are to draw a picture of a scene from the chapter.

4. The fourth activity is a game. The students are to play a game of "The History of the United States" with their classmates.

5. The fifth activity is a project. The students are to make a project about the history of the United States.

6. The sixth activity is a presentation. The students are to give a presentation on the history of the United States.

7. The seventh activity is a debate. The students are to have a debate on the history of the United States.

8. The eighth activity is a role-play. The students are to act out a scene from the history of the United States.

9. The ninth activity is a quiz. The students are to take a quiz on the history of the United States.

10. The tenth activity is a final exam. The students are to take a final exam on the history of the United States.

11. The eleventh activity is a group project. The students are to work in groups to complete a project on the history of the United States.

12. The twelfth activity is a class presentation. The students are to give a presentation on the history of the United States.

13. The thirteenth activity is a class debate. The students are to have a debate on the history of the United States.

14. The fourteenth activity is a class role-play. The students are to act out a scene from the history of the United States.

15. The fifteenth activity is a class quiz. The students are to take a quiz on the history of the United States.

16. The sixteenth activity is a class final exam. The students are to take a final exam on the history of the United States.

17. The seventeenth activity is a class group project. The students are to work in groups to complete a project on the history of the United States.

18. The eighteenth activity is a class presentation. The students are to give a presentation on the history of the United States.

19. The nineteenth activity is a class debate. The students are to have a debate on the history of the United States.

20. The twentieth activity is a class role-play. The students are to act out a scene from the history of the United States.

21. The twenty-first activity is a class quiz. The students are to take a quiz on the history of the United States.

22. The twenty-second activity is a class final exam. The students are to take a final exam on the history of the United States.

23. The twenty-third activity is a class group project. The students are to work in groups to complete a project on the history of the United States.

24. The twenty-fourth activity is a class presentation. The students are to give a presentation on the history of the United States.

25. The twenty-fifth activity is a class debate. The students are to have a debate on the history of the United States.

26. The twenty-sixth activity is a class role-play. The students are to act out a scene from the history of the United States.

27. The twenty-seventh activity is a class quiz. The students are to take a quiz on the history of the United States.

28. The twenty-eighth activity is a class final exam. The students are to take a final exam on the history of the United States.

29. The twenty-ninth activity is a class group project. The students are to work in groups to complete a project on the history of the United States.

30. The thirtieth activity is a class presentation. The students are to give a presentation on the history of the United States.

[The page contains extremely faint, illegible text, likely bleed-through from the reverse side. The text is organized into several paragraphs and possibly a list or table, but the characters are too light to transcribe accurately.]